State of the West

Western Canadian Demographic and Economic Trends

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PREFACE

The *State of the West* report launches a bold new initiative by the Canada West Foundation, **Building the New West,** which explores the strategic positioning of western Canada within the new global economy. More specifically, the initiative is designed to identify and then address the public policy determinants of regional prosperity.

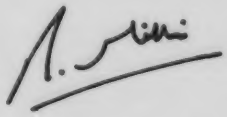
The first phase of the Building the New West project (2000-2001) focuses on creating a *Blueprint for Regional Prosperity.* The *Blueprint* will be based on demographic and economic research, extensive public opinion surveying, and consultations across the four western provinces. The second phase of the project will turn to implementing the *Blueprint* through policy research, wide-spread dissemination, and informed public debate. This second phase will continue beyond 2003.

Although Building the New West explores the public policy determinants of regional prosperity, there is no assumption that economic prosperity can be divorced from broader concerns with quality of life. To the contrary, we assume that the vitality of our cities, the sustainability of our rural communities, and the richness of our cultural life are critically important determinants of economic prosperity.

Nor should the focus on public policy suggest that we are only interested in what *governments* should do. While we recognize a positive role for governments in the lives of Canadians, we are also interested in identifying those things that should be left to the community, business, and non-profit sectors.

Finally, our focus is on the public policy determinants of a prosperous West within Canada. As a consequence, a wide array of public policy determinants must be brought into play. The future of the West will be shaped by the policy actions of local, provincial and national governments, and indeed by the decisions made by other countries and the international community.

The Canada West Foundation would like to thank our many friends and supporters who have made the publication of *State of the West: Western Canadian Demographic & Economic Trends* possible. In particular, we would like to thank the Kahanoff Foundation and the Privy Council Office of the Government of Canada.



Dr. Roger Gibbins
President and CEO
Canada West Foundation

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INTRODUCTION

The 1990s were a period of tremendous change. Seemingly overnight, a global environment emerged defined by trade liberalization, international mobility and communications, and technological advancement. It is in this global environment that western Canadians must learn to grow and prosper. But to do so, we first need to know who we are and where we stand on the national and international stage. What are the West's current economic and demographic strengths? Where are our weaknesses? What can we learn from recent social and economic trends that will help us to plan the course ahead?

The West of 2001 is not the same West of years gone by. In the 30 years since the birth of the Canada West Foundation, the West has "come of age" within the Canadian federation, and is now a region of great economic and political importance to the national community. The West is more urban and its economy more diverse. The regional population has also changed, infused with a variety of ethnic backgrounds, cultures and skill sets, and with competing generational perspectives and priorities.

If the West is to thrive in the years ahead, we must create a policy environment that reflects current realities, builds on strengths and opportunities, and addresses foreseeable threats. The *State of the West* report gives us many of the tools we need to move in that direction by providing an overview of key demographic and economic trends in western Canada.

It is impossible, of course, to include everything. At the same time, it is possible to identify those factors that are of unquestioned importance to regional prosperity. We need to know:

- the changing demographic and economic weight of the West and the individual western provinces;
- the impact of interprovincial migration and international immigration on the region;
- demographic change within the West including the aging of the regional population and the rapidly growing demographic contribution of Aboriginal peoples;
- patterns of urbanization that are changing the economic and political landscape of the West;
- the evolution of public finance; and
- the patterns of trade that link the West to the Canadian and global economies.

If these issues are to be addressed, we need a common understanding of "the West." In many cases, the West is a state of mind with shifting and even elusive boundaries. Sometimes this "state of mind" expands to embrace the northern territories, and sometimes it contracts to embrace only individual provinces. In our case, the West will be defined as the provinces of Manitoba, Saskatchewan, Alberta, and British Columbia. *State of the West* then asks: to what extent do these four provinces hang together as a common region? Do they move as one – as a fleet – in response to changing economic and demographic conditions, or are they best seen as separate provincial vessels on the choppy seas of the new economy?

State of the West is an indispensable sourcebook for key demographic and economic data on the West. Sound public policy decisions rely upon a sound foundation of knowledge. *State of the West* fills in many knowledge gaps about the West in an accessible manner. Although there will undoubtedly be subjects of importance to western Canadians that are not included in the report, at the very least we have set the stage for policy research to come.

The primary objective of *State of the West* is to lay the groundwork for a more informed discussion of the public policy determinants of regional prosperity. The Canada West Foundation invites readers to join that discussion.

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1. POPULATION GROWTH

Population growth is an important barometer of a province's, and indeed a region's, prosperity. If a province is thriving, its residents are more likely to stay, and migrants (from both other provinces and other countries) are more likely to move in. Simply put, people "vote with their feet," following perceived opportunities and higher standards of living, and leaving behind stagnant economic conditions.

A province benefits from population growth in a number of ways. The increased labour pool and larger consumer market spurs economic growth and increases the tax base. The inflow of people from other parts of the country and other parts of the world increases social diversity and fosters cultural activity. In addition, as a province's population growth increases, its relative share of the national population and its "political clout" are enhanced. However, if growth is too rapid, it can create significant challenges such as increased infrastructure costs and inflation. And because representative institutions do not always keep pace with population change (e.g., the current federal electoral boundaries are based on 1991 population figures), the increased political clout associated with a rising population may be delayed.

Key demographic trends in western Canada include:

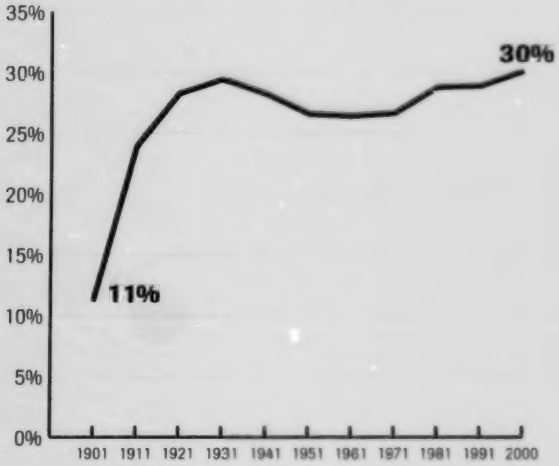
- The West is Canada's second largest region with 30% of the national population.
- Population growth in British Columbia and Alberta has outpaced growth in Saskatchewan and Manitoba.
- Western Canadian population growth is sensitive to economic conditions and can change dramatically from one year to the next.
- Population growth in the West is projected to be slow over the next 25 years, but will be slightly higher than growth in the rest of Canada.
- Barring unforeseen changes to international and interprovincial migration patterns, the West's share of Canada's population will increase only slightly over the next 25 years to just over 31% of the national total.
- Evolving economic conditions and changes to public policy are key determinants of future population growth in the West and may alter current growth projections.

POPULATION GROWTH

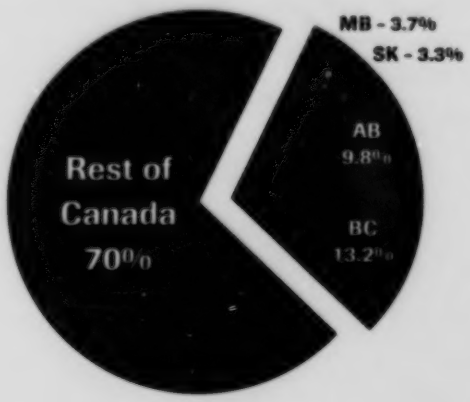
Western Canada's share of the national population increased in the 1970s, faltered somewhat in the 1980s, and began to climb again in the 1990s

Figure 1: Relative Size of Western Canada's Population

Western Canada's Population
as a Percentage of Canada's Population, 1901-2000



The Western Provinces
as a Percentage of Canada's Population, 2000



About 30% of Canada's population resides in the West, making it Canada's second largest region. Ontario is Canada's largest region at 38%; Quebec is home to 24% of the Canadian population and 8% live in Atlantic Canada. Over the past 30 years, the West's share of the national population has increased by 3.4 percentage points and Ontario's by 2.2 while Quebec's share has decreased by 4.0 percentage points and Atlantic Canada's by 1.8.

Western Canada experienced rapid population growth in both absolute and relative terms during the early part of the 20th century as settlers poured in from other parts of Canada and around the world. The region's population grew by a staggering 410% between 1901 and 1931 while the rest of the country grew by a more modest 54%. Over the same period, the West's share of the national population increased from 11% to 29%. Tough times in the region saw the West's share of the national population begin to drop during the Great Depression. It was not until the mid-1990s that the region's share of the national population climbed past the 1931 level.

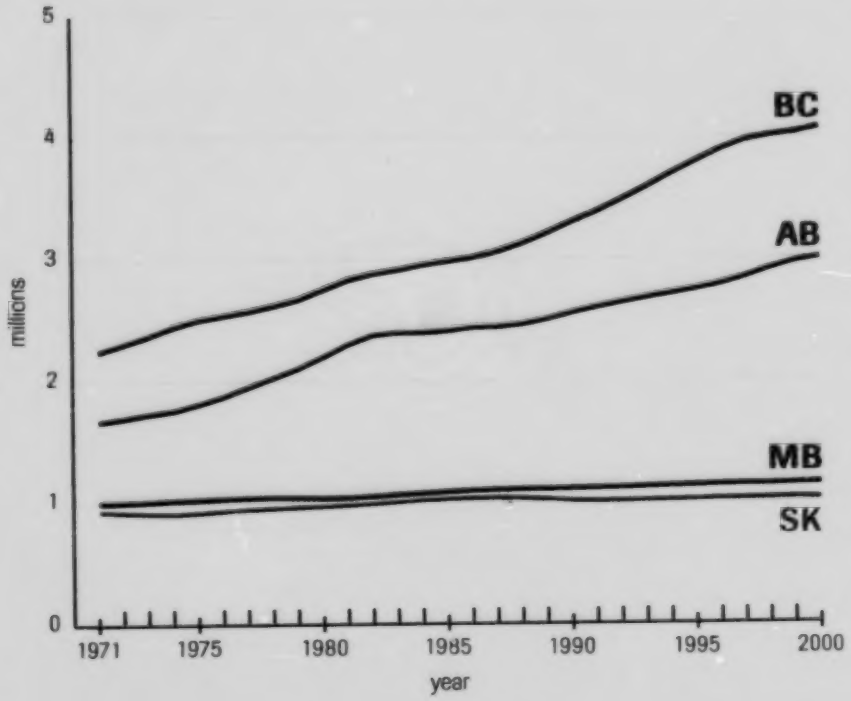
Combined, Saskatchewan and Manitoba account for 7% of Canada's population compared to a total of 23% for British Columbia and Alberta.

Population figures are as of July 1. Source: Canadian Global Almanac 2001, Statistics Canada, Canada West Foundation.

POPULATION GROWTH

B.C. and Alberta have grown significantly faster than Saskatchewan and Manitoba

Figure 2: Population of the Western Provinces, 1971-2000



Between 1971 and 2000, western Canada's population increased by 58% (3,395,412 people) compared to 33% (5,392,593 people) for the rest of the country. Relatively strong regional population growth, however, masks significant differences within the region. British Columbia and Alberta have experienced strong growth while increases in Saskatchewan and Manitoba have been modest at best.

This uneven growth within the West creates significant disparities among the four western provinces. The benefits of population growth – including economic stimulation, an increased tax base, expanding consumer markets, greater political "clout," and a general sense of optimism and achievement – are enjoyed by only two of the West's four provinces.

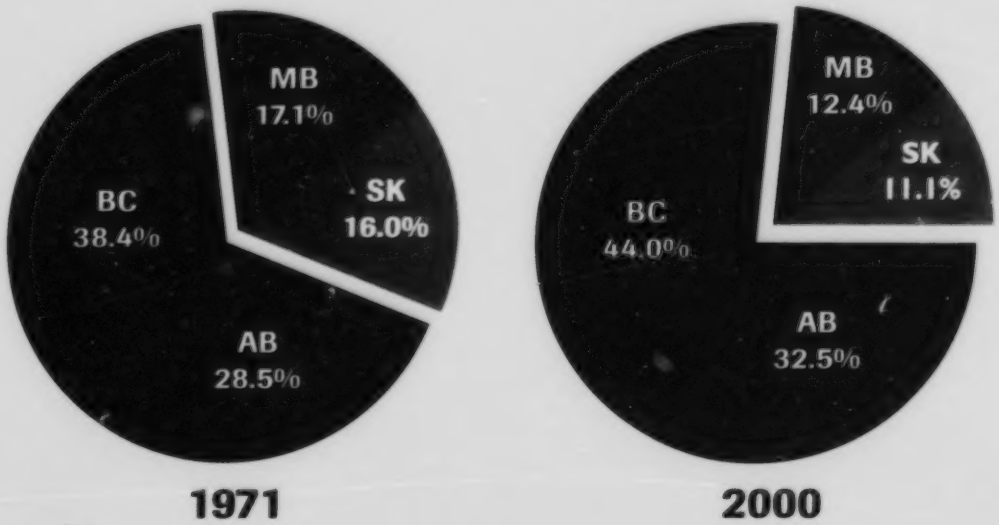
In public policy terms, the disparities in population growth mean that the four western provinces are dealing with very different issues. British Columbia and Alberta are seeking to manage growth and maximize the benefits it confers whereas Saskatchewan and Manitoba are seeking to encourage growth and avoid population decline. In regional terms, the disparities can reduce the sense of regional cohesion and commonality.

Population figures are as of July 1. Source: Statistics Canada.

POPULATION GROWTH

Since 1971 the proportion of western Canadians living in B.C. and Alberta has increased

Figure 3: Share of the West's Population, 1971 and 2000



Not surprisingly, uneven growth among the four provinces has resulted in significant shifts in population weights within the region. In 1971, Saskatchewan and Manitoba together represented one third of the region's population. By 2000, their population share had dropped to less than one quarter.

While British Columbia and Alberta each increased their share of the region's population, it is interesting to note that their population weights relative to each other have remained constant. In both 1971 and 2000, there were 1.35 British Columbians for every Albertan.

In terms of demographic clout, Saskatchewan and Manitoba have lost status within the West, while British Columbia and Alberta have gained status.

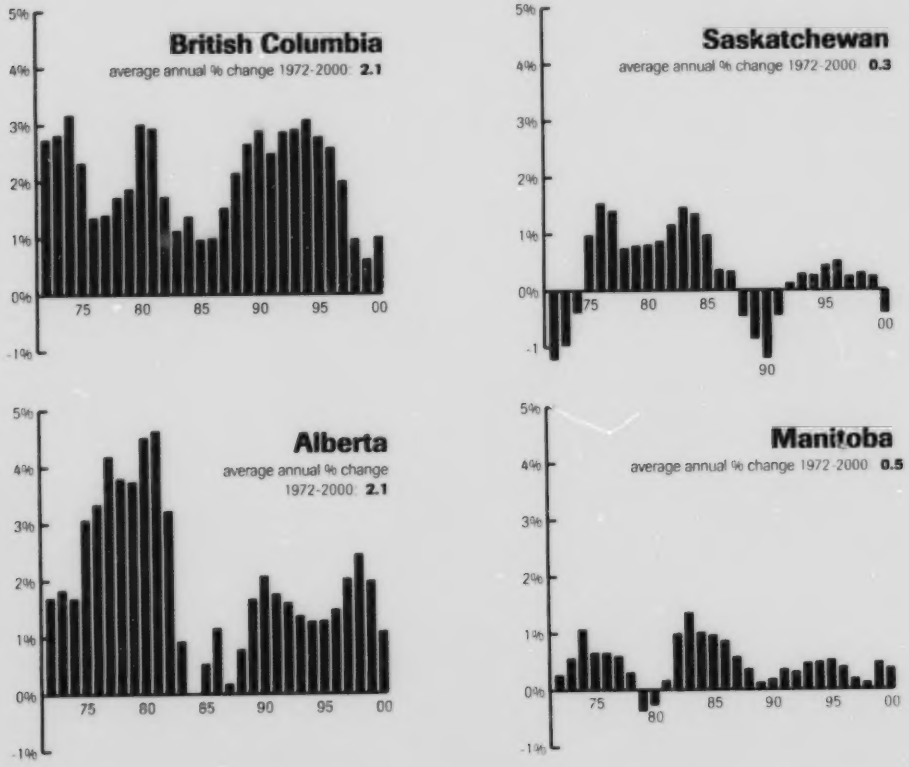
The shift in the House of Commons has been less pronounced; British Columbia and Alberta had 18% of the seats in 1971 compared to 20% today whereas Saskatchewan and Manitoba had 10% in 1971 compared to 9% today.

Population figures are as of July 1. Source: Statistics Canada, Canada West Foundation.

POPULATION GROWTH

Annual population growth in the West has been marked by periods of high growth and periods of low or negative growth

Figure 4: Annual Percent Change in Population, 1972-2000



The West's population grew by an average of 1.6% per year between 1972 and 2000 while the rest of the country grew by 1.0% per year.

Average population growth between 1972 and 2000 does not, however, reveal the peaks and valleys that characterize population change in western Canada. Interrelated factors including economic conditions, the movement of people within Canada, and international migration (both in and out of the country) explain the variation.

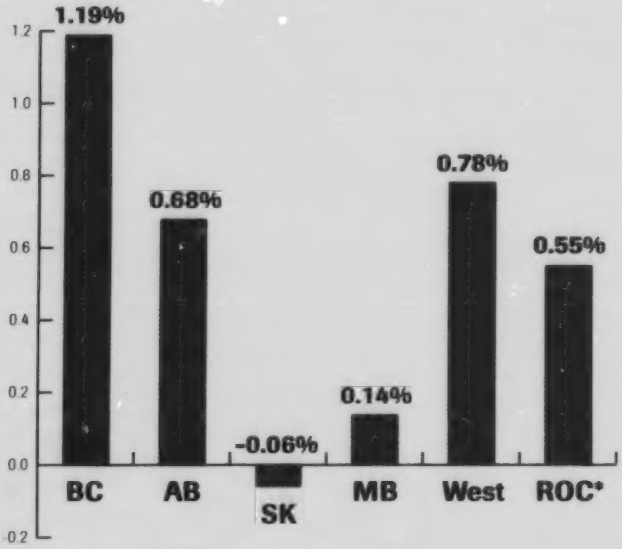
If history is any guide, western Canadians should expect uneven population growth in the years ahead as economic conditions evolve and the relative attractiveness of different jurisdictions changes.

Percent change from July 1 of previous year. Source: Statistics Canada, Canada West Foundation

POPULATION GROWTH

Statistics Canada is projecting sluggish population growth in both Canada and the West over the next 25 years

Figure 5: Projected Average Annual Population Growth, 2001-2026



Projected Share of Regional and National Population in 2026

	% of West	% of Canada
BC	48.8	15.3
AB	31.7	9.9
SK	8.9	2.8
MB	10.5	3.3
West	n.a.	31.3

Although population projections produced by Statistics Canada are based on assumptions that may change, they provide some sense of where western Canada will be in 25 years.

While it will outpace the rest of the country, population growth in the West is projected to be quite modest between 2001 and 2026, at an average annual rate of less than 1%. Most of this growth will occur in British Columbia and Alberta with Manitoba growing slightly and Saskatchewan decreasing in size.

As a region, the West is projected to account for just over 31% of Canada's population in 2026 compared to 30% in 2000.

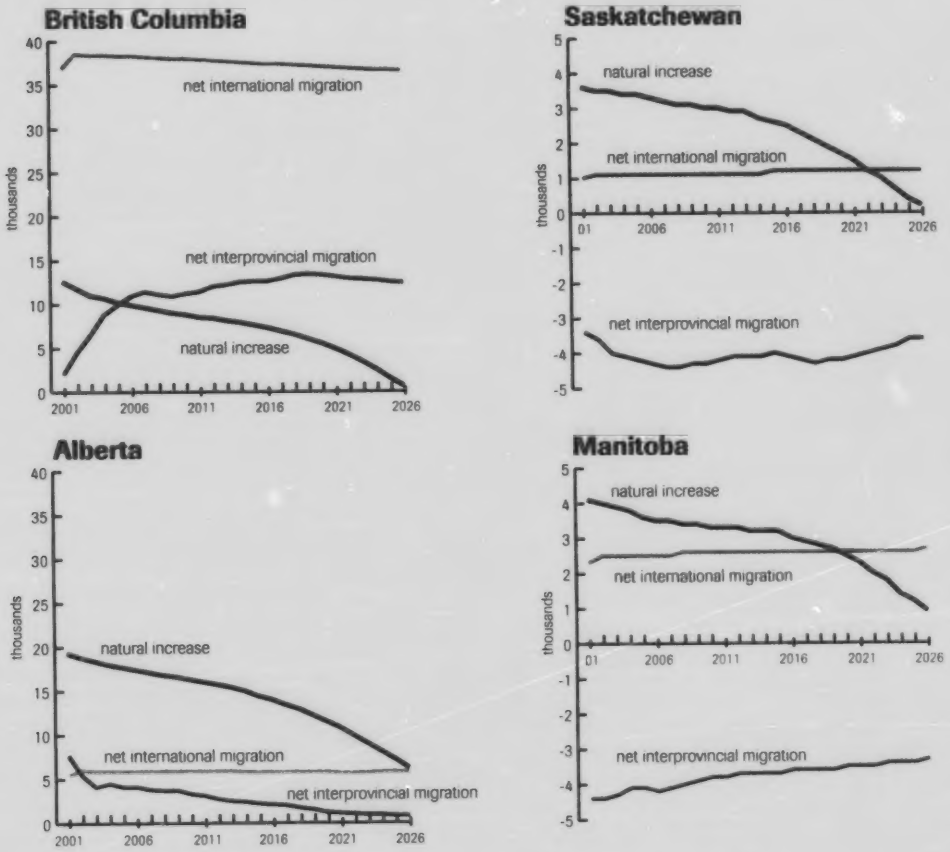
If western Canadians hope to see a different outcome than the one projected by Statistics Canada, they will have to focus their energies on increasing the net number of people moving into the region from other parts of Canada and from other countries. Equally important will be public policies designed to promote regional prosperity and reduce out-migration from the region.

*Rest of Canada. Projections are based on the medium growth scenario.
Source: Statistics Canada, Canada West Foundation.

POPULATION GROWTH

The contribution of natural increase to population growth will taper off in all four western provinces

Figure 6: Components of Projected Population Growth, 2001-2026



Population projections consist of three components: net immigration (number of international migrants minus number of Canadian emigrants), natural increase (the difference between births and deaths), and inter-provincial migration (the movement of Canadians between provinces).

When growth is broken into its components, it is clear that the ability to attract and retain people is an important factor in the population growth equation, and will be increasingly important in the years ahead as the natural increase in population continues to fall.

Projections are based on the medium growth scenario. Source: Statistics Canada, Canada West Foundation

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2. IMMIGRATION

Population projections indicate that immigration is critical to Canada's future prosperity. Without a steady level of immigration, Canada's population growth would eventually dip below zero. Immigrants are an important source of skilled labour and entrepreneurship, and contribute to Canada's cultural diversity. For this reason, provinces are anxious to attract and retain immigrants. For similar reasons, it is important to keep *emigration* levels in check.

The federal government is responsible for most facets of immigration policy. However, through federal-provincial immigration agreements, many provinces are working to maximize their attractiveness to immigrants. Provinces, moreover, are able to entice immigrants by fostering a positive economic and social environment. Tax rates, labour laws, professional licensing standards, effective social programs, and the general level of cultural "welcomeness" are all examples of areas in which provinces can improve their ability to attract and retain immigrants.

Key trends in immigration for western Canada include:

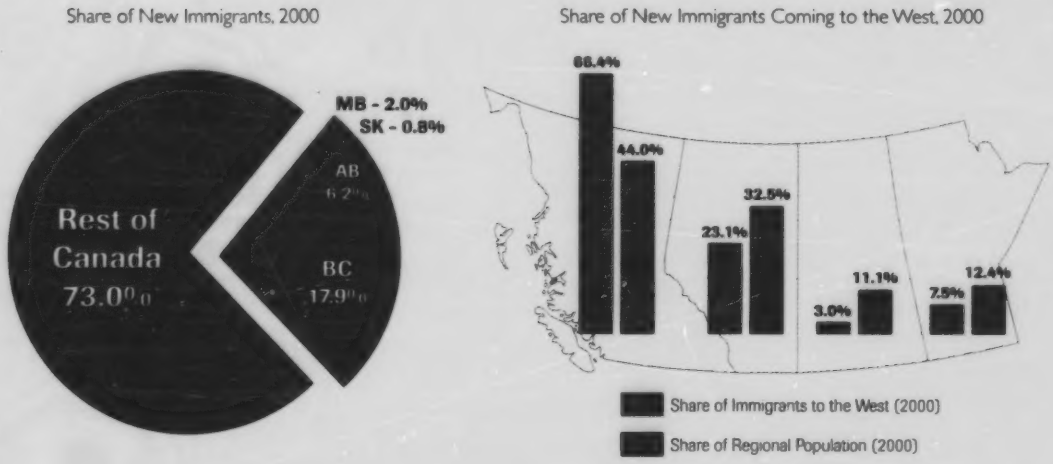
- British Columbia is the main destination for the West's immigrants – it is clearly the region's "winner" with respect to immigration, with Saskatchewan and Manitoba suffering in relative terms.
- Immigration levels rise and fall in response to federal immigration policies (particularly intake targets) and economic conditions (both within Canada and around the world).
- Emigration patterns reflect changes in economic opportunity and perceived quality of life.
- The importance of immigration to population growth varies dramatically among the four western provinces.
- Immigration's importance to population growth is increasing, and will continue to do so.
- Within the West, almost 80% of new immigrants are destined for one of the region's seven largest cities, with the majority destined for the Vancouver city-region.
- The small proportion of immigrants going to Saskatoon, Regina and Victoria both reflects and reinforces disparities among the economic opportunities presented by western cities.

For more information on immigration policy, see *Pioneers 2000: A National Conference on Canadian Immigration, Conference Report,* Canada West Foundation, July 2000.

IMMIGRATION

British Columbia receives the majority of new immigrants arriving in the West

Figure 7: Share of New Immigrants, 2000



The West's share of Canada's new immigrants is lower than its share of Canada's population (26.9% of new immigrants in 2000 compared to 30.0% of the population).

In both relative and absolute terms, British Columbia is the main destination of immigrants coming to the West. In 2000, British Columbia received 36,877 immigrants (66.4% of all western Canadian immigrants). This imbalance left Alberta, Saskatchewan, and Manitoba with significantly fewer immigrants than their shares of the region's population would warrant.

This imbalance reinforces disparities among the provinces, particularly between British Columbia on one side, and Saskatchewan and Manitoba on the other. British Columbia reaps the economic and social benefits of strong immigration growth, while less prosperous Saskatchewan and Manitoba struggle to attract and retain a small number of immigrants.

Net International Migration, 1972-2000

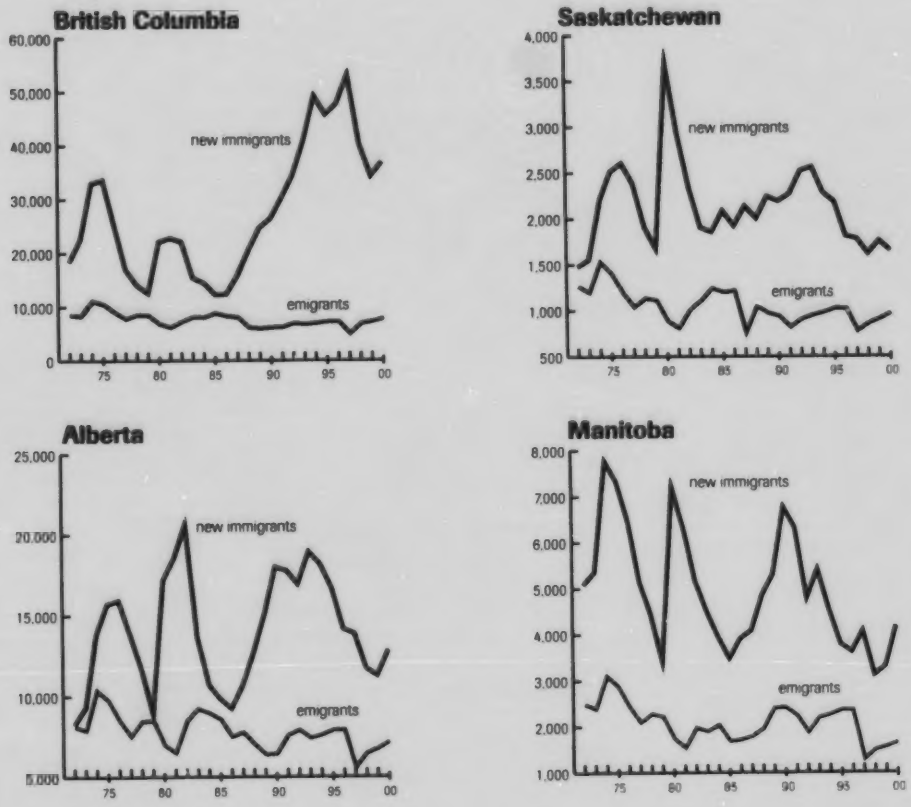
	Total Net	Average Annual Net
BC	568,335	19,598
AB	180,732	6,232
SK	31,749	1,095
MB	83,299	2,872
West	864,115	29,797
ROC*	2,350,862	81,064

Figures are for the year ending June 30. *Rest of Canada. Figures for 2000 are preliminary.
Source: Statistics Canada (CANSIM I Matrix 5774 and population data), Canada West Foundation.

IMMIGRATION

The number of new immigrants fluctuates dramatically from year to year

Figure 8: International Immigration and Emigration in the West, 1972-2000



As the different scales of the above graphs indicate, there is great variation in the absolute number of immigrants received by each province.

The provinces are similar, however, in the degree of fluctuation that characterizes annual intake levels. Immigration levels spike and dive in response to both federal immigration policies (particularly annual intake targets) and economic conditions.

The dramatic changes in immigration levels present public policy and service delivery challenges. For example, a non-profit agency providing services to new immigrants will experience a dramatic increase in demand during periods of high intake.

Although the number of international immigrants far exceeds those who leave Canada, the possible public policy determinants of emigration should not be ignored.

Figures are for the year ending June 30. Figures for 2000 are preliminary.
Source: Statistics Canada (CANSIM I Matrices 3604 and 5774), Canada West Foundation.

IMMIGRATION

The importance of immigration as a source of population growth is increasing as natural increase continues its downward trend

Figure 9: Net International Migration's Contribution to Population Growth

	1972-1999 (average)	2000	2026 (projection)
British Columbia	49.6%	72.1%	98.4%
Alberta	19.8%	22.5%	48.3%
Saskatchewan	12.4%	17.0%	85.7%
Manitoba	27.1%	39.3%	75.0%
The West	32.8%	50.0%	85.4%
Rest of Canada	39.2%	61.2%	100%*
Canada	37.2%	57.8%	100%*

The figures are calculated by adding natural increase (births less deaths) and net international migration (immigrants less emigrants) and calculating the percentage of the total contributed by net international migration. The figures exclude non-permanent residents and the effects of interprovincial migration.

*Because the projected number of deaths will exceed the number of births in both Canada and Canada less the West by 2026, net international migration will be the only source of population growth.

The importance of immigration to population growth varies dramatically among the four western provinces, ranging between 72.1% of population growth in British Columbia to 17.0% in Saskatchewan in 2000. What is clear from the data and the population projections is that immigration's importance to population growth is increasing, and will continue to increase.

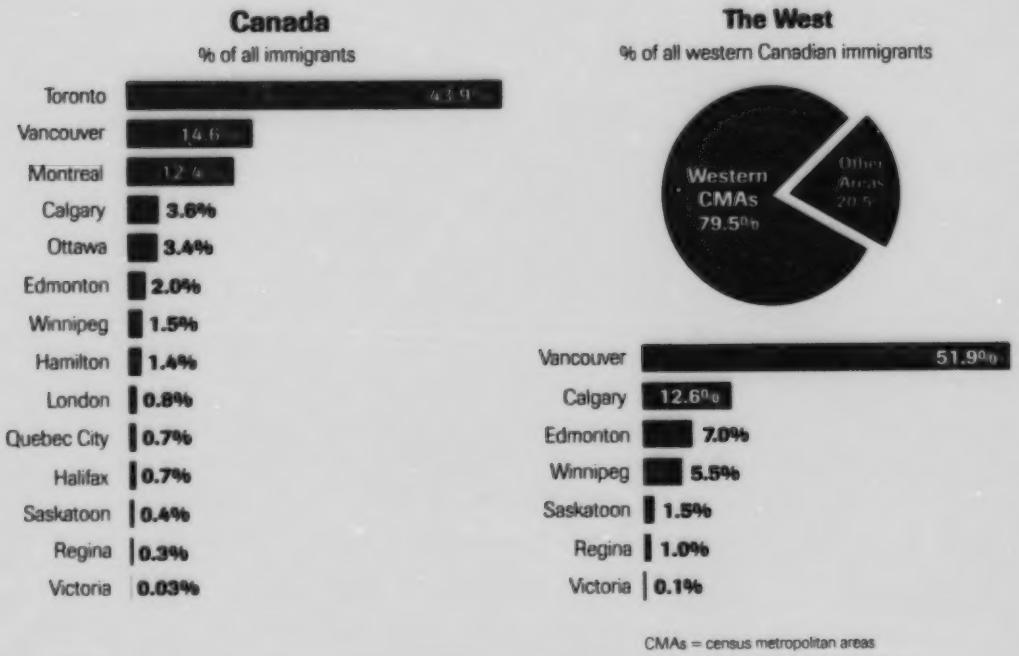
Compared to natural increase (the figures do not reflect the effects of interprovincial migration), immigration will account for the vast majority of population growth for all of the West's provinces except Alberta by 2026. For British Columbia, immigration is projected to account for virtually all population growth (again, excluding the effects of interprovincial migration).

1972-1999 and 2000 figures are for the year ending June 30. Projections are based on the medium growth scenario.
Source: Statistics Canada, Canada West Foundation.

IMMIGRATION

Large urban centres are the main destination of new immigrants in the West and in the country as a whole

Figure 10: Destination of New Immigrants, 1999



CMAs = census metropolitan areas

Immigration is, by and large, an urban phenomenon. The vast majority of new immigrants come to Canada's urban centres. In total, 71% of Canada's new immigrants in 1999 were destined for the three largest cities: Toronto, Vancouver and Montreal.

Within the West, almost 80% of new immigrants are destined for one of the region's seven census metropolitan areas (urban areas larger than 100,000).

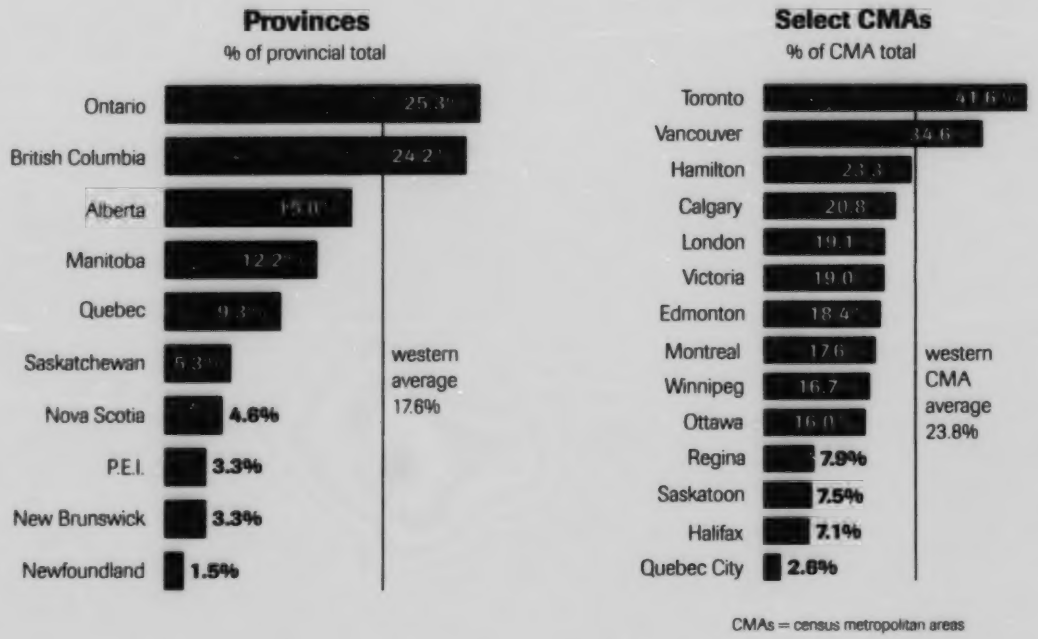
Of the West's total new immigrant population, the majority is destined for Vancouver. Calgary, the second largest destination, receives only 12.6% of the region's new immigrants. The small proportion of immigrants going to the West's smallest census metropolitan areas – Saskatoon, Regina and Victoria – both reflects and reinforces disparities among the economic opportunities presented by western cities.

Figures are on a calendar year basis. Source: Citizenship and Immigration Canada, Canada West Foundation.

IMMIGRATION

The western provinces and western CMAs have relatively large immigrant populations

Figure 11: Foreign-Born Population, 1996



When the consideration of immigration patterns is expanded to include both new immigrants and landed immigrants, it is clear that the western provinces and cities have relatively high foreign-born populations. While Ontario has a significantly higher foreign-born population (25.3%), a full 17.6% of the West's population are immigrants, placing the West ahead of Quebec and Atlantic Canada on this measure. With 24.2% of its 1996 population born outside Canada, British Columbia leads the West and nearly matches Ontario.

Both Toronto and Vancouver have a larger immigrant population than do their provinces as a whole. However, it is interesting to note that three western cities – Calgary, Victoria, and Edmonton – have greater foreign-born populations (as a percentage of total population) than does Montreal, Canada's third largest recipient of new immigrants. Overall, almost 24% of the West's CMA population is foreign-born – the same proportion as Canada as a whole.

The immigrant population includes people who are, or have been, landed immigrants in Canada.
Source: Statistics Canada (1996 Census data), Canada West Foundation.

3. INTERPROVINCIAL MIGRATION

Interprovincial migration refers to Canadians moving among the provinces. Interprovincial migration is a zero-sum demographic game, pitting provinces against each other. The "winners" of interprovincial migration are those provinces with a large net gain; the "losers" experience a net loss.

The policy implications of interprovincial migration are great. If, for example, a province invests highly in post-secondary education programs and funding, only to have its educated residents move upon completion of their education, the province is essentially funding the education of another province's labour force. If a province is a net gainer of seniors and retirees, this affects its health care spending, tax base, and dependency ratios. Interprovincial migration patterns typically follow economic opportunity. Provinces, therefore, are able to compete for interprovincial migrants through economic policy (tax levels, favourable business climate) and social policy (quality of life, urban amenities), although not all determinants of migration can be leveraged by provincial public policies (e.g., family ties, climate).

Interprovincial migration can strengthen ties between provinces, as individuals feel attachments to their old and new homes, and as family members are exposed to more of the country as they travel to visit each other. At the same time, the dispersion of families across the country may have a negative effect on Canada's social fabric, reducing the number of close extended families and familial support. Given population aging, this could present long-term challenges as younger family members are too far away to provide care for aging relatives.

Key trends in interprovincial migration in western Canada include:

- The West as a whole has been Canada's dominant recipient of interprovincial migrants.
- Within the West, interprovincial migration has been uneven: British Columbia and Alberta have enjoyed net gains, while Saskatchewan and Manitoba have suffered significant net losses.
- British Columbia, Saskatchewan, and Manitoba each have relatively stable interprovincial migration histories over the past 30 years: B.C. has experienced regular gains; Saskatchewan and Manitoba have experienced regular losses. Alberta has had a more volatile history, gaining migrants when the economy was strong, and losing migrants when the economy faltered.
- The majority of migrants leaving a western province move to another western province; the majority of migrants moving into western provinces come from other western provinces rather than from other parts of the country.

INTERPROVINCIAL MIGRATION

The West is a net recipient of interprovincial migrants

Figure 12: Interprovincial Migration, 1972-1999

	Total Out	Total In	Total Net	Annual Net Rate*	Total Net as % of Population at End of Period
British Columbia	1,319,385	1,831,596	512,211	0.6%	12.7%
Alberta	1,619,471	1,896,865	277,394	0.5%	9.4%
Saskatchewan	697,671	542,490	-155,181	-0.6%	-15.1%
Manitoba	693,358	547,186	-146,172	-0.5%	-12.8%
Ontario	2,269,902	2,349,520	79,618	0.03%	0.7%
Quebec	1,196,118	741,744	-454,374	-0.2%	-6.2%
New Brunswick	412,606	406,136	-6470	-0.03%	-0.9%
Nova Scotia	537,302	537,608	306	0.01%	0.03%
P.E.I.	88,355	93,628	5,273	0.2%	3.8%
Newfoundland	346,375	249,656	-96,719	-0.7%	-17.9%
The West	4,329,885	4,818,137	488,252	0.2%	5.3%
Rest of Canada	5,033,140	4,544,888	-488,252	-0.1%	-2.3%

*Refers to net migration for each year as a percentage of the total population at the end of each year averaged over the period in question.

Over the past thirty years, the West has largely been a "winner" in the interprovincial migration contest, gaining 5.3% of its population through migration over the 1972-1999 period. However, Saskatchewan and Manitoba both experienced serious net losses, with Saskatchewan losing 15.1% of its population to migration, and Manitoba losing 12.8%.

Looking at Canada as a whole, only British Columbia and Alberta emerge as strong recipients of interprovincial migrants. In absolute terms, British Columbia gained over 500,000 people in this period – roughly just under half the current population of Saskatchewan or Manitoba – while Alberta gained over 275,000 residents. Two provinces – Ontario and Nova Scotia – basically "broke even" with each gaining less than 1%, while New Brunswick lost less than 1%.

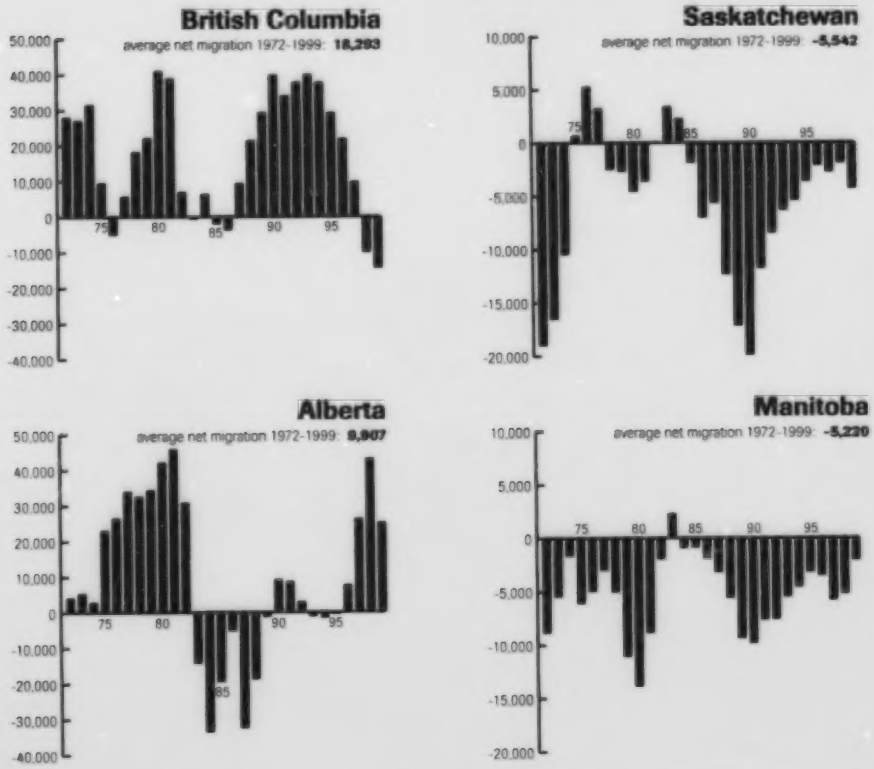
It is important to note that the net figures mask a great deal of population churn. For example, while British Columbia has a net gain of 512,211 people, more than 1.3 million people left the province during the 28 year period covered in Figure 12. Thus, public policy debate must not neglect substantial population outflows that may be masked by new arrivals.

Figures are for the year ending June 30. 1998/99 was the most recent year for which final estimates are available. Preliminary estimates were not used because of a large margin of error. Source: Statistics Canada, Canada West Foundation.

INTERPROVINCIAL MIGRATION

More Canadians moved to British Columbia and Alberta than left since 1972; the reverse is true for Saskatchewan and Manitoba

Figure 13: Net Interprovincial Migration, 1972-1999



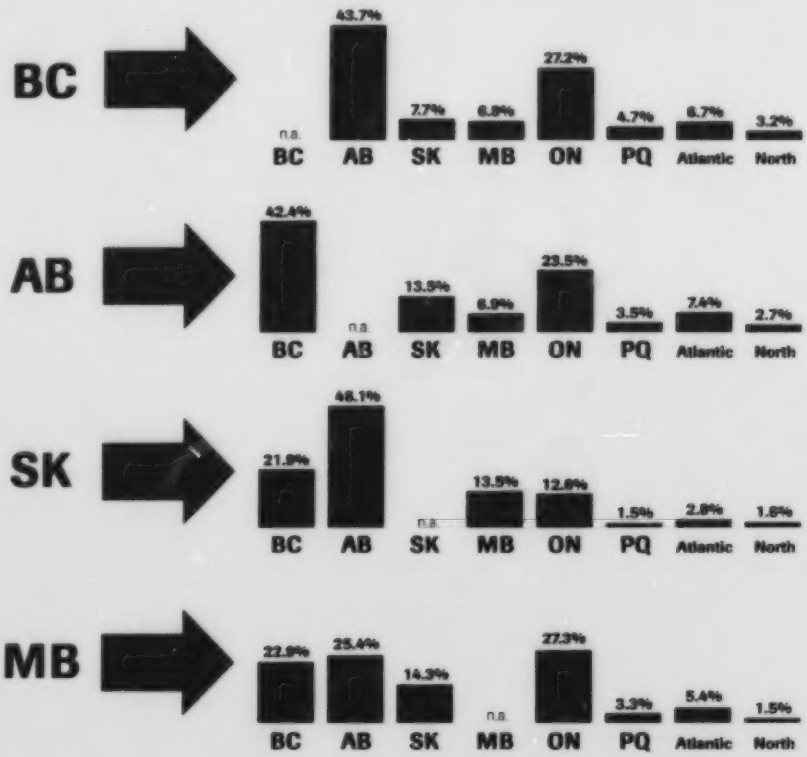
Three trends emerge from the patterns of net interprovincial migration. First, British Columbia has a long and relatively stable history of gaining migrants. While this trend has reversed in recent years, the relatively stable history suggests that this may be a short-term problem rather than a true reversal of fortune. Second, Alberta has experienced strong highs and lows, gaining migrants during periods of economic prosperity and losing migrants during economic "bust" cycles. Third, Saskatchewan and Manitoba each have a strong and very stable history of losing residents. The variations between these two provinces centre primarily around the depth of the losses.

Figures are for year ending June 30. 1998/99 was the most recent year for which final estimates were available. Preliminary estimates were not used because of a large margin of error. Source: Statistics Canada, Canada West Foundation.

INTERPROVINCIAL MIGRATION

The majority of interprovincial migrants leaving western provinces move to another western province

Figure 14: Destination of Interprovincial Migrants, 1972-1999



When western Canadians move away from their "home province," they typically move to another western Canadian province. For example, 81.5% of migrants leaving Saskatchewan move elsewhere in the West – a proportion that drops to 62.8% for Alberta migrants, 62.8% for Manitoba migrants, and 58.2% for B.C. migrants.

Saskatchewan and British Columbia migrants typically end up in Alberta; Alberta migrants typically end up in British Columbia; and Manitoba migrants favour Ontario, Alberta, and British Columbia.

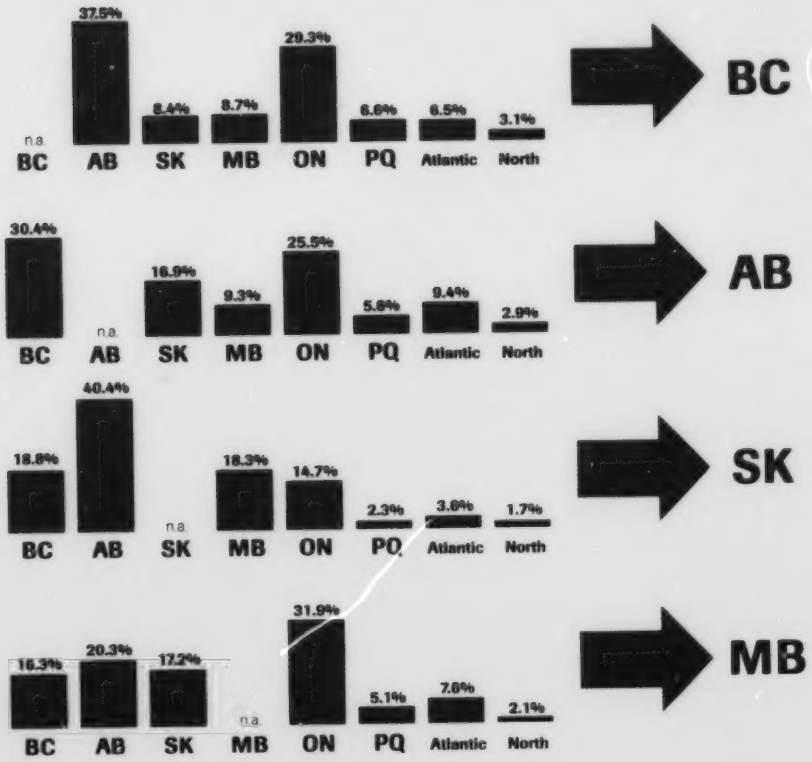
Intra-regional migration suggests a potential for attitudinal cohesion within the West. As many western Canadians have a history and/or family in one of the other western provinces, there may be a resulting sense of regional identification.

Figures are for the year ending June 30. Source: Statistics Canada, Canada West Foundation.

INTERPROVINCIAL MIGRATION

Outside the West, Ontario is the main source of migrants moving to the West

Figure 15: Origin of Interprovincial Migrants, 1972-1999



The majority of any western province's migrants come from the other three western provinces. In addition, a large number of migrants come to the western provinces from Ontario. For all the western provinces except Saskatchewan, Ontario migrants account for at least one-quarter of all migrants.

Figures are for the year ending June 30. Source: Statistics Canada, Canada West Foundation

4. POPULATION AGING

The proportion of Canada's population that is aged 65 and older (its seniors) is the highest it has ever been. The number of seniors will not only continue to grow, but will spike upward as the baby boom generation (those born between 1946 and 1965) starts to reach age 65 in 2011.

Population aging has important social, economic, and political ramifications. These include increased demand for health care, a smaller labour market, a smaller tax base, a growing number of Canada Pension Plan and Old Age Security recipients, expanding markets for products and services used by seniors, and greater public policy interest in the needs and concerns of the elderly.

Working age Canadians pay the majority of the taxes that fund the health and income support services seniors need. As the population ages, there will be greater demand for services but a smaller tax base to pay for them. This creates public policy dilemmas: does one increase taxes, reduce public services, or pursue some combination of the two? What is clear is that the sooner we take action, the easier it will be to manage the pressures created by population aging.

It must be stressed that population aging is not a "problem" to be solved, but rather a demographic trend that will bring both challenges and opportunities. The task at hand is to plan strategically so that challenges do not become problems. This is not an easy task given the electorate's preoccupation with present day matters and the understandable tendency of elected officials to focus on immediate concerns.

Key population aging trends in western Canada include:

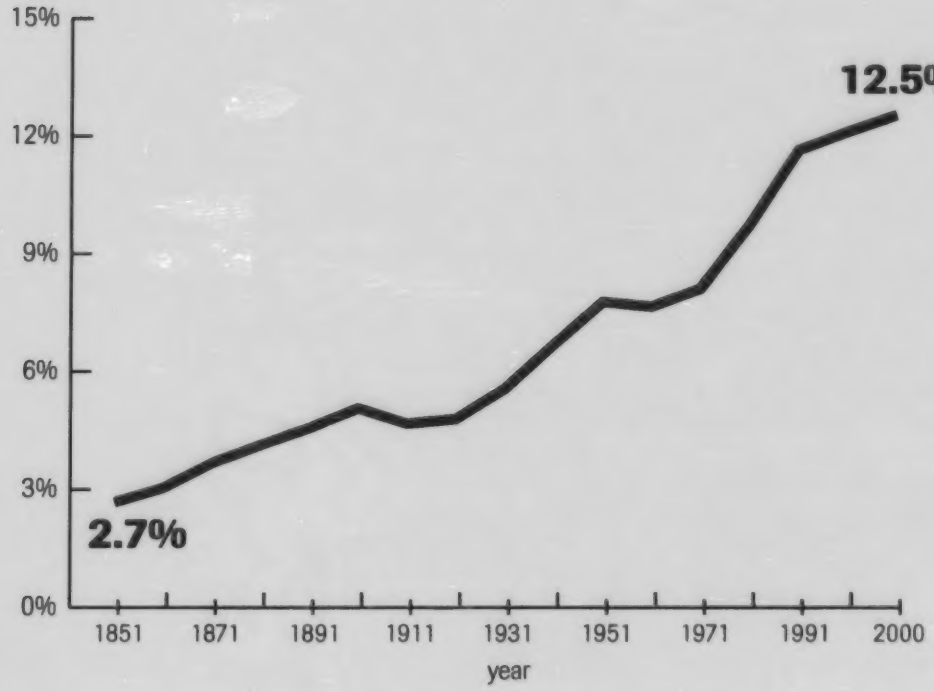
- All four western provinces are aging and must take steps in the present to ensure that they are prepared for the challenges and opportunities this will present.
- Within the West, Saskatchewan has the oldest population followed by Manitoba and British Columbia. Alberta has an unusually low percentage of its population aged 65 and over, and stands out in both the West and in Canada as a whole. This gives Alberta some extra leeway, but it does not exempt it from the need to address the pressures created by population aging.
- Population projections do not vary significantly among the western provinces as all four are projected to experience declines in the proportion of people under 15 and sharp increases in their numbers 65 and over.
- Saskatchewan and Manitoba each have high dependency ratios relative to both the West and the rest of Canada.

For more information on seniors and public policy, see *The Safety Net and Seniors in Alberta*, Canada West Foundation, August 1997.

POPULATION AGING

The aging of the population is the biggest public policy issue facing all regions of Canada

Figure 16: Percentage of Canada's Population 65+, 1851-2000



Canada's population is older than ever before. In 1971, the average age in Canada was 30.7 years. By 2001, it was 37.6 years, and Statistics Canada projects that the average age will be 43.4 years by 2026.

With the exception of demographic blips caused by an intense period of immigration during the early part of the last century and a temporary rise in fertility and birth rates after the Second World War (the baby boom), the age of Canada's population has been on the rise since the 1850s.

In 2000, there were an estimated 3.8 million seniors in Canada (1.1 million in the West) – up 58% from 2.4 million in 1981.

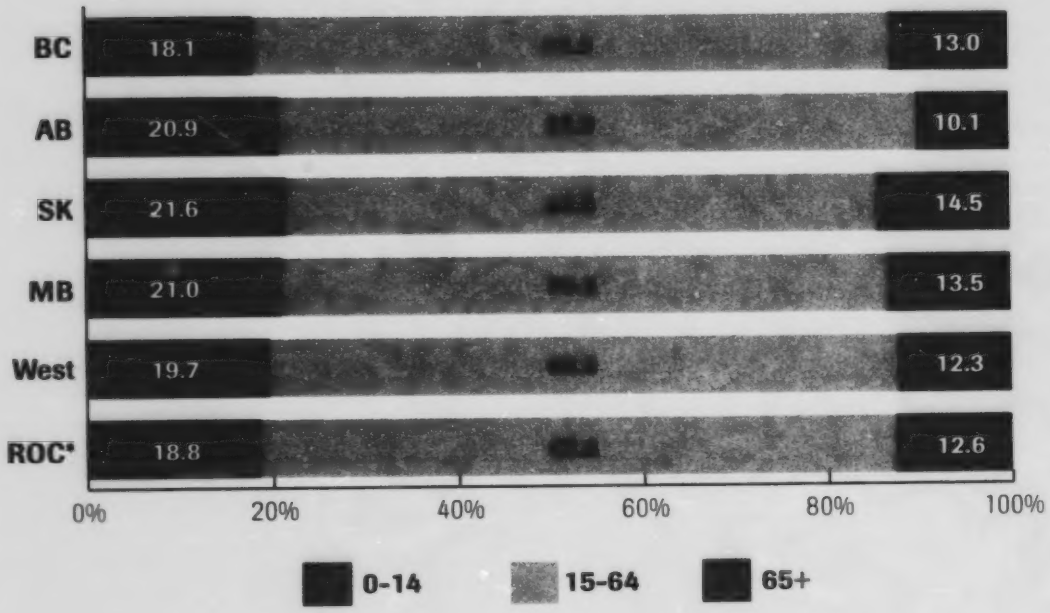
As the population continues to age, it will mean greater demand for products and services of interest to seniors, new patterns of social interaction, a different labour market, and increased pressure on the health system and on the social service sector.

Source: Canadian Global Almanac 2001, Statistics Canada.

POPULATION AGING

The percentage of the population under 15 and 65+ varies across the West

Figure 17: Population by Age Group, 2000



The West has a slightly larger proportion of its population under the age of 15 than does the rest of Canada, and a slightly lower proportion of its population aged 65 and older. The variations, however, are small and do not change the fact that all four western provinces must prepare for the challenges and opportunities population aging will bring in the years ahead.

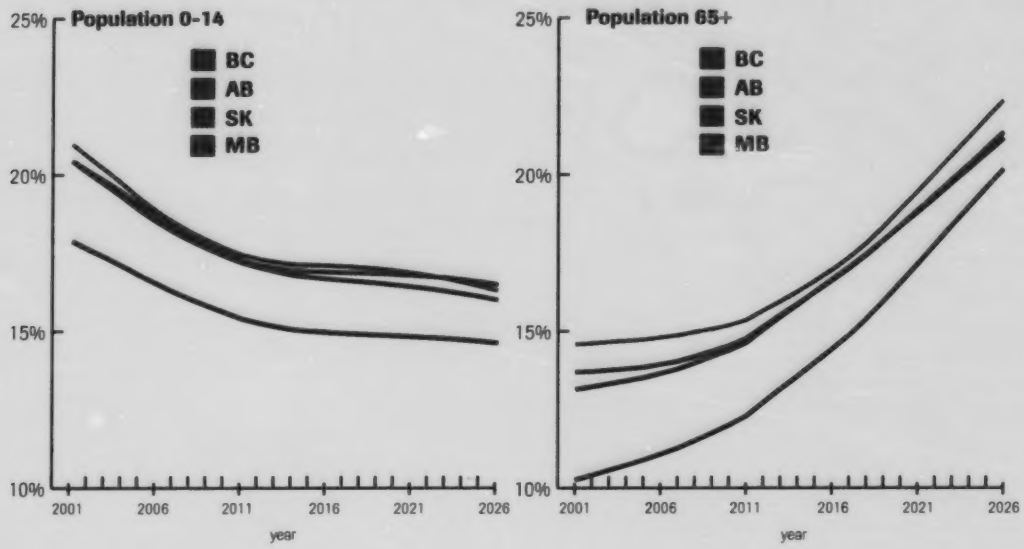
Within the West, British Columbia has the lowest percentage of its population under age 15. However, and despite stereotypes of British Columbia as Canada's retirement province, it does not have an unusually high number of seniors. Indeed, Saskatchewan and Manitoba each have a greater percentage of their populations aged 65 and over, and the proportion of seniors in B.C.'s population does not differ greatly from that in the rest of Canada. The outlier is Alberta, with significantly fewer seniors than the other western provinces and the rest of Canada. This means that Alberta has greater leeway than other provinces in the region, but it does not exempt Alberta from having to address the effects of population aging.

*Rest of Canada. Source: Statistics Canada.

POPULATION AGING

The percentage of children in the population is projected to fall while the percentage of seniors is expected to rise

Figure 18: Percentage of Population by Age Group, 2001-2026



Population projections do not vary significantly among the western provinces as all four are projected to experience declines in the number of people under 15 and sharp increases in the number people 65 and over (particularly after 2011). By 2026, 21.0% of western Canadians will be 65 or over compared to 21.6% for the rest of Canada. Although Alberta has a lower proportion of its population aged 65 and over, this gap is projected to close substantially in the years ahead. British Columbia stands out as the province with the smallest proportion of people under 15.

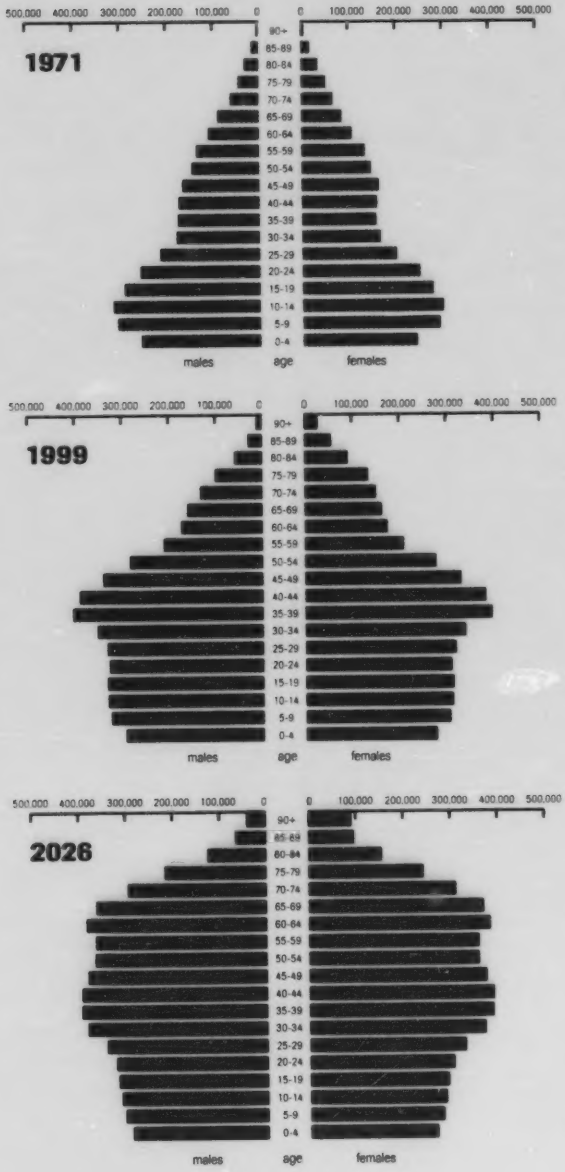
The declining proportion of youths combined with the growing proportion of seniors translates into a smaller labour market in the decades ahead – this shift will follow moderate expansion of the labour force as the children of the baby boomers (the echo generation) enter the labour market. While immigration policy can be utilized to address these issues, current immigration intake levels are not sufficient to fully meet the challenges. Thus, the West should expect significant transformations to its labour market in the next few decades.

Projections are based on the medium growth scenario. Source: Statistics Canada, Canada West Foundation.

POPULATION AGING

The aging of Canada's baby boomers will dramatically alter the ratio of working age Canadians to Canadians in their senior years

Figure 19: Western Canada's Population Pyramids, 1971, 1999, and 2026



The shift from a bottom heavy population pyramid to a top heavy one has profound implications for Canadian society.

The pyramids to the left illustrate the growing size of the older age groups relative to the younger ones and the impending movement of the baby boom bulge into the older age categories.

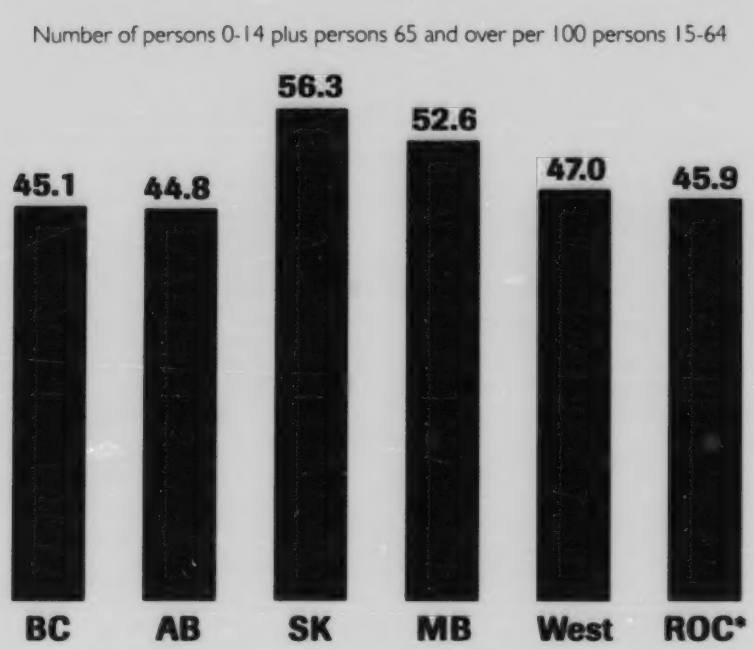
The policy implications of this are clear: any public policy which assumes the support of a large tax-paying work force will be in serious jeopardy in the years ahead. These include most of Canada's social programs, such as medicare, pensions, and social services.

Projections are based on the medium growth scenario. Source: Statistics Canada, Canada West Foundation.

POPULATION AGING

Saskatchewan and Manitoba have relatively high dependency ratios

Figure 20: Dependency Ratio, 2000



A province's social programs rely upon the presence of a strong tax-paying work force. The dependency ratio (the number of people under 15 and 65+ per 100 people 15-64) gives an indication of the strain upon the "working age" population (those 15-64). A smaller ratio indicates a larger tax base and therefore a lower tax burden per working individual; a larger ratio indicates a smaller tax base and a larger tax burden per individual.

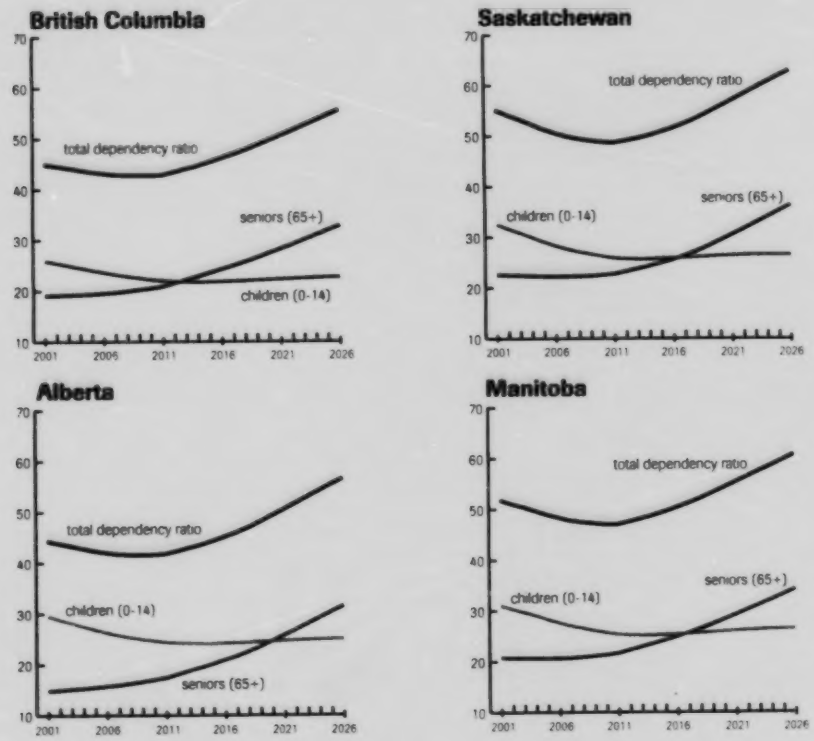
The different dependency ratios outlined above reveal significant disparity within the West. Saskatchewan and Manitoba have high dependency ratios relative to both the West and the rest of Canada. This means smaller labour markets and therefore less opportunity for economic growth. The ratios also reveal that Saskatchewan and Manitoba have smaller tax bases, which limits the policy flexibility of their governments.

*Rest of Canada. Source: Statistics Canada, Canada West Foundation.

POPULATION AGING

Dependency ratios across the West will rise sharply after 2011

Figure 21: Projected Dependency Ratios



Projections for western Canada's dependency ratios again point to the serious public policy implications of population aging. In all provinces, the youth dependency ratio (those under 15 per 100 people 15-64) gradually declines over time, while the seniors dependency ratio (those 65+ per 100 people 15-64) grows at a steady pace and then rises rapidly after 2011. The net effect of these two trends is that the overall dependency ratio in all four provinces will, despite dropping over the short-term, spike upward as the boomers start turning 65.

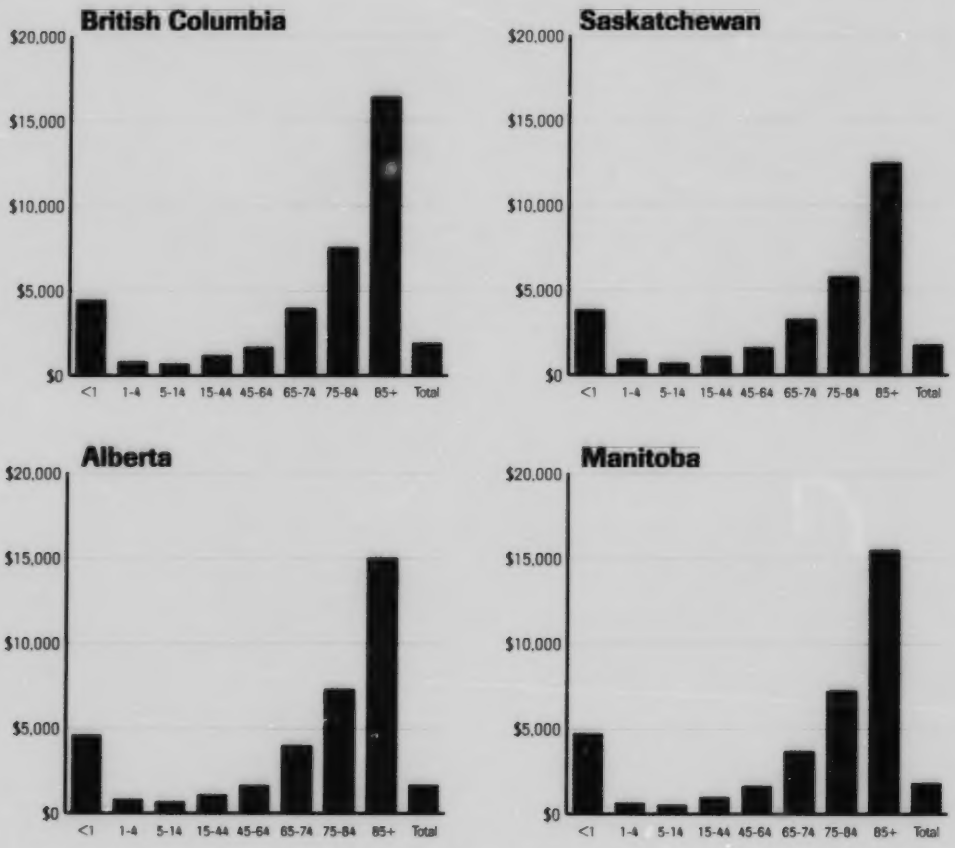
For Saskatchewan and Manitoba, the total dependency ratio is projected to exceed 60 by 2026 (i.e., for every 100 people 15-64 years of age, there are projected to be over 60 individuals under 15 and 65+). For Alberta and British Columbia, the dependency ratio is projected to reach the mid-50s.

Total dependency ratio refers to the number of people under 15 and 65+ per 100 people 15-64.
Projections are based on the medium growth scenario. Source: Statistics Canada, Canada West Foundation.

POPULATION AGING

Per capita health care costs increase dramatically with age

Figure 22: Provincial Health Care Costs by Age Group, 1998 (per capita)



The dependency ratio issue is made more clear by looking at provincial health care expenditures by age group. The pattern for all western four provinces is clear: with the exception of infants (and, to a lesser extent, toddlers), there is a positive relationship between age and per capita health expenditures: as age increases, health expenditures also increase.

As the West's population ages, therefore, health expenditures will increase. All provinces will need to address the public policy ramifications this creates, including possible limitations on public health care and the continuous search for greater efficiency.

Source: Canadian Institute for Health Information, *National Health Expenditure Trends, 1975-2000.*

5. VISIBLE MINORITIES

Although an imperfect and incomplete measure, the percentage of the population comprised of visible minorities reflects in part the degree of social diversity in a province or city. Social diversity can provide a competitive advantage for provinces as tourists, residents and businesses may be attracted to a province's cultural opportunities. A diverse population increases the vitality of the non-profit sector as organizations form to encourage immigrant settlement and cultural programs. Visible minorities form the majority of new immigrants to Canada and provide vitally important portals on the global economy and the interpersonal linkages upon which trade and business opportunities can grow.

However, social diversity can also present challenges. Provinces may experience greater need for cultural policies, language training and other services, and some cities have experienced conflict among different social groups. Cultural diversity demands a creative public policy environment.

The four western provinces vary considerably in their racial and cultural make-up:

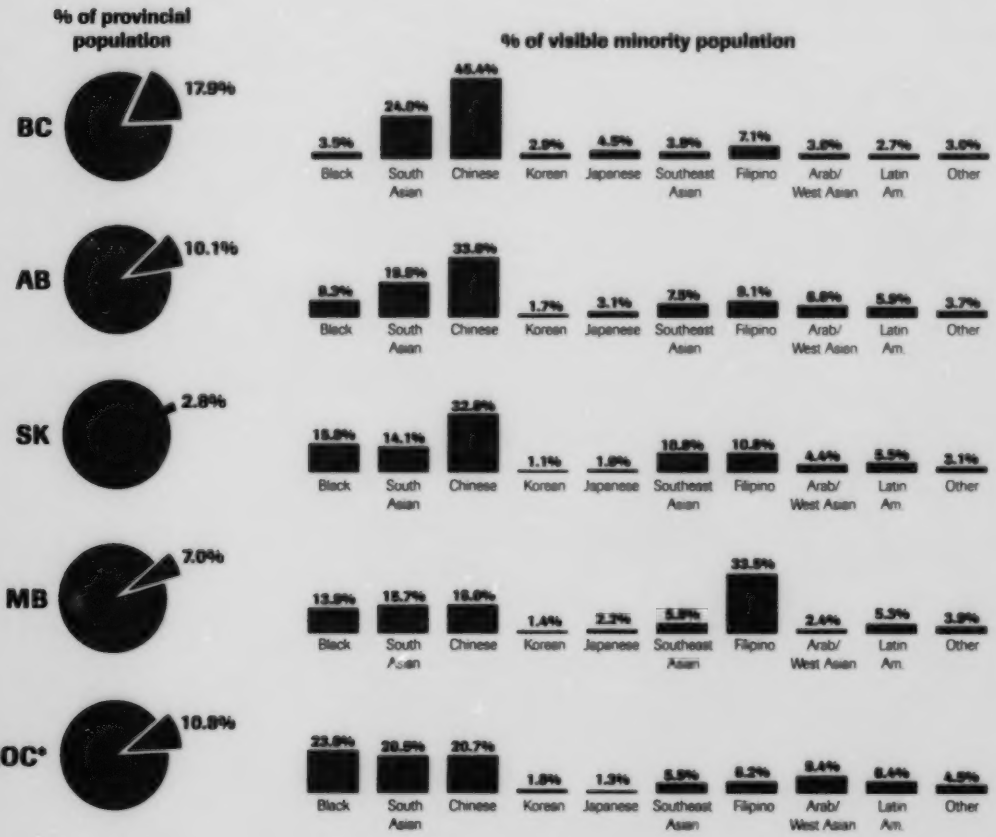
- British Columbia has the highest proportion of its population identifying as visible minorities (17.9%), while Saskatchewan has the lowest proportion in the region (2.8%).
- Visible minorities are more likely to reside in urban than in rural areas.
- Three of Canada's five most diverse cities are found in western Canada. Vancouver is Canada's second most diverse city-region, with a full 31.1% of Greater Vancouver's population identifying as visible minorities. Calgary is Canada's third most ethnically diverse city, followed by Edmonton. In contrast, just over 5% of Saskatoon and Regina's populations are visible minorities.

Readers should note that Aboriginal peoples are not classified as visible minorities in the Statistics Canada data presented in this section.

VISIBLE MINORITIES

There is a great deal of provincial variation in both the size and composition of the visible minority population

Figure 23: Visible Minority Population by Province, 1996



Not surprisingly, given varying immigration intakes, the four western provinces differ greatly in the percentage of their populations identifying themselves as visible minorities. British Columbia's population is very diverse in comparison to both the other western provinces and the rest of Canada, while Saskatchewan's population is significantly less diverse. Note as well that the western provinces differ from the rest of Canada in the ethnic backgrounds of the visible minority populations. The West is much less likely than the rest of Canada to have a high proportion of residents identifying as black or as Arab/West Asian, and much more likely to have a high proportion identifying as Chinese. In addition, Manitoba has a significantly higher proportion of its visible minority population identifying as Filipino.

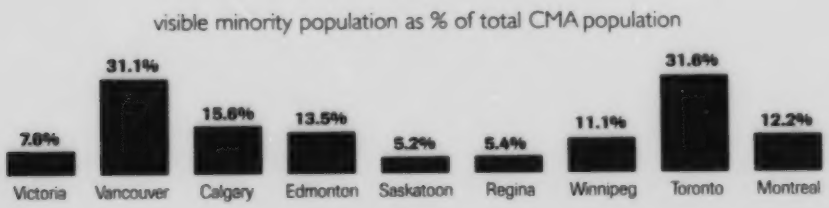
*Rest of Canada. Canada's Employment Equity Act defines the visible minority population as persons, other than Aboriginals, who are non-Caucasian in race or non-white in colour. South Asian (e.g., East Indian, Pakistani, Punjabi, Sri Lankan; Southeast Asian (e.g., Cambodian, Indonesian, Laotian, Vietnamese); Arab/West Asian (e.g., Armenian, Egyptian, Iranian, Lebanese, Moroccan).

Source: Statistics Canada (1996 Census), Canada West Foundation.

VISIBLE MINORITIES

Vancouver has the largest visible minority population in the West

Figure 24: Visible Minorities in Census Metropolitan Areas, 1996 (Census)



% of visible minority population

	Victoria	Vancouver	Calgary	Edmonton	Saskatoon	Regina	Winnipeg	Toronto	Montreal
Black	9.1	2.9	8.3	9.8	13.2	17.4	13.7	20.5	30.5
South Asian	19.7	21.3	20.0	20.5	15.1	15.6	15.5	24.6	11.5
Chinese	41.2	49.4	35.0	34.0	32.6	29.3	15.4	25.0	11.5
Korean	1.7	3.0	1.7	1.6	0.5	1.6	1.3	2.1	0.9
Japanese	6.2	3.9	2.5	1.4	1.2	1.9	2.1	1.3	0.6
Southeast Asian	5.0	3.6	7.7	0.7	9.4	13.6	5.6	3.5	9.4
Filipino	7.4	7.2	9.2	9.1	12.4	9.5	35.1	7.4	3.6
Arab/West Asian	3.3	3.2	6.2	7.0	6.6	2.6	2.2	5.4	18.4
Latin Am.	3.9	2.4	5.1	5.6	5.2	5.5	5.4	4.6	11.6
Other	2.6	3.0	4.1	3.6	3.7	2.9	3.8	5.5	2.1

Visible minorities are more likely to reside in urban rather than rural areas in western Canada. Three of Canada's five most diverse cities are found in western Canada. Vancouver nearly equals Toronto, with three of every ten residents in each city identifying as visible minorities.

The variation among western Canadian cities with respect to the size and composition of visible minority populations both reflects and reinforces provincial variation. It also points to very different urban environments and thus to the importance of municipal policies.

Canada's Employment Equity Act defines the visible minority population as persons, other than Aboriginals, who are non-Caucasian in race or non-white in colour. South Asian (e.g., East Indian, Pakistani, Punjabi, Sri Lankan; Southeast Asian (e.g., Cambodian, Indonesian, Laotian, Vietnamese); Arab/West Asian (e.g., Armenian, Egyptian, Iranian, Lebanese, Moroccan).
Source: Statistics Canada (1996 Census), Canada West Foundation.

W

6. URBANIZATION

Canada is becoming increasingly urban, and the West is experiencing the country's most rapid rates of urban growth. The past of the rural West has been replaced by a new urban face. While the West's current level of urbanization matches that of the rest of Canada, the West is unique in that much of this urbanization has occurred over the last thirty years. As a result, urbanization is a policy issue of particular importance to western Canada.

Urban growth is strongly related to economic growth and prosperity. Canada's economic activity is largely concentrated in urban areas, and it is anticipated that this concentration will increase with the shift towards a knowledge-based economy. As cities grow, they must continue to accommodate and provide services to larger and more diverse populations. As a result of urban growth, cities face pressures on their transportation, housing, and recreation infrastructure. For a number of reasons, cities may now need increased political and fiscal autonomy to deal effectively with such issues. As urbanization continues, western Canada will need to pay increasing attention to the needs of its urban areas.

Urbanization is changing the landscape of the rural West. While only two provinces, Saskatchewan and Manitoba, have experienced a rural depopulation in absolute terms since 1966, the relative weight of rural areas in all western provinces has declined. This decreases the political leverage of the rural areas. In addition, because the the proportion of rural residents living near an urban centre has increased, the distinction between rural and urban has blurred.

Key urbanization trends in western Canada include:

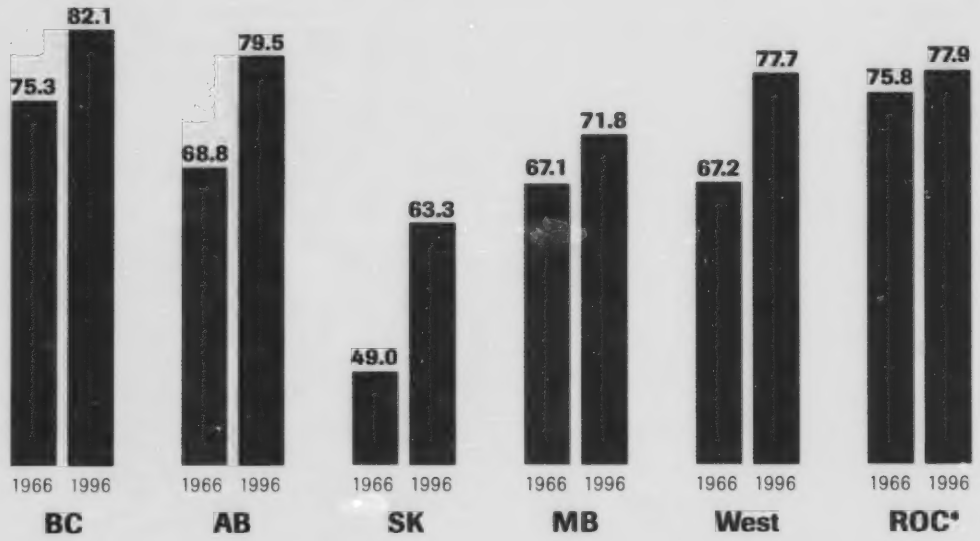
- As a result of significant urban growth in the West over the past 30 years, the West's level of urbanization now matches that of the rest of Canada.
- The pattern of urbanization has differed within the West. In British Columbia and Alberta, urbanization is a result of urban growth outpacing rural growth. In Saskatchewan and (to a lesser extent) Manitoba, urbanization is a result of urban growth combined with rural depopulation.
- Urban growth accounts for 95% of the West's population growth.
- The importance of city-regions (large urban areas) is growing in each western province, but western city-regions do not yet match the political weight of city-regions in Ontario and Quebec.

For more information on urbanization in Canada, please see *Cities@2000: Canada's Urban Landscape*, Canada West Foundation, 1999.

URBANIZATION

The four western provinces differ in both the rate and degree of urbanization

Figure 25: Percentage of the Population Living in Urban Areas, 1966 and 1996



All four western provinces have experienced significant urban growth over the past three decades, while the rest of Canada has experienced relatively little urban growth. The result is that the urbanization gap between the West and the rest of Canada has all but disappeared.

Unlike the rest of Canada, which has been able to deal with urbanization more gradually, the rapid urban growth in the West means that the region must deal with a number of policy issues, as well as adapting to a changing demography. One of the largest challenges is to change the region's self-perception to acknowledge its new urban face, *while not ignoring the continuing importance of its rural areas.*

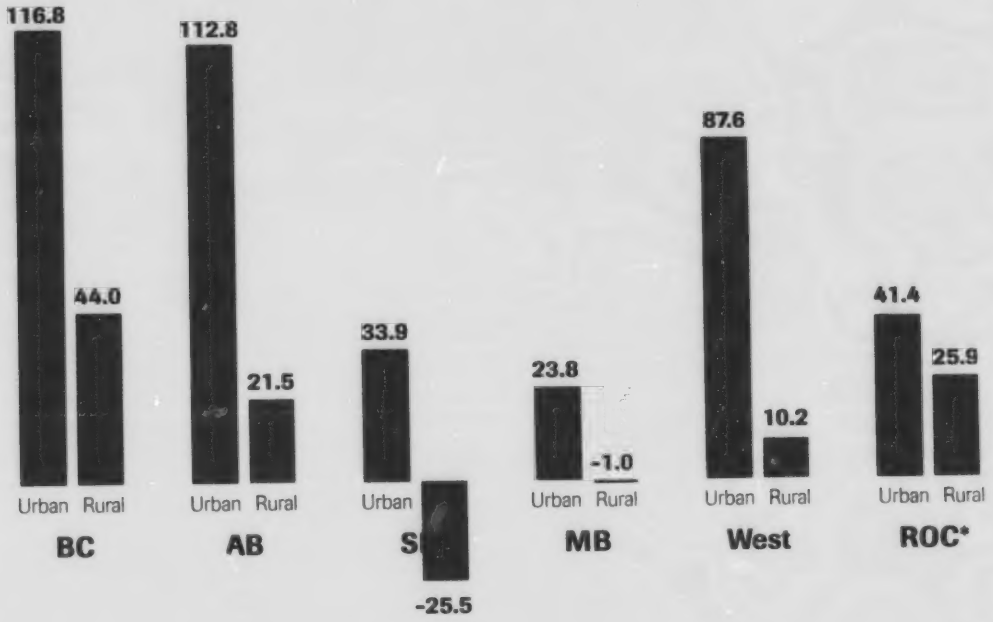
Although its current pace of urbanization is faster than that of the other western provinces, Saskatchewan is the West's least urban province, British Columbia is the most urban province in the West, but the gap between Alberta and British Columbia has been considerably reduced.

*Rest of Canada. Urban is defined by Statistics Canada as an area with more than 1,000 people and a population density of 400 or more per square kilometre. Source: Statistics Canada (Census data), Canada West Foundation.

URBANIZATION

Only in some cases does urbanization reflect an absolute decline in the rural population

Figure 26: Percent Change in Population, Urban and Rural Areas, 1966-1996



Urbanization can occur as a result of two forces: increased population in the urban areas, and decreased population in the rural areas. For British Columbia and Alberta, the urbanization phenomenon has been one of urban growth outpacing rural growth, rather than one of rural depopulation. Indeed, B.C.'s rural population grew by 44% over the 1966-1996 period, while Alberta's grew by almost 22%.

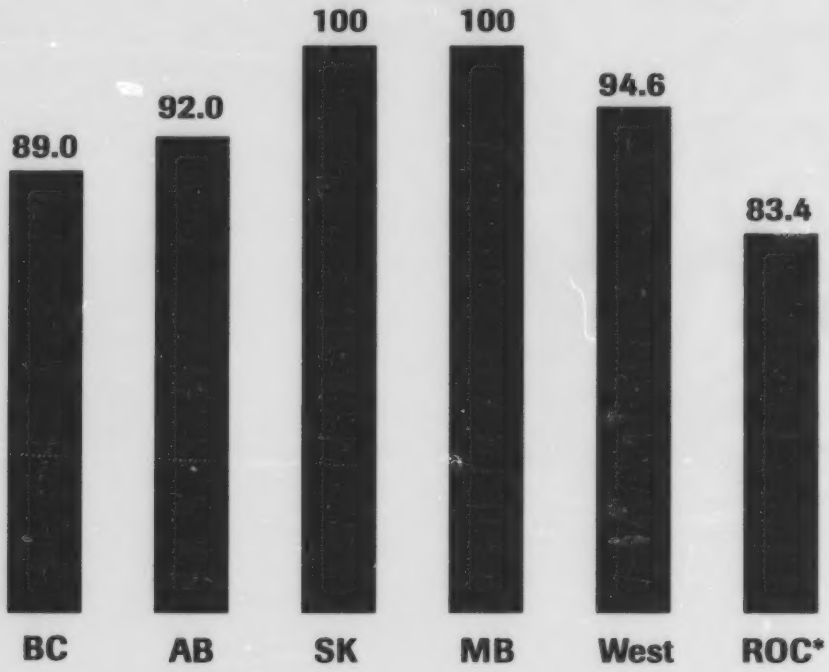
A very different pattern is seen in Saskatchewan and (to a lesser extent) Manitoba. Here, urbanization is a result of urban growth combined with rural depopulation. For both provinces, the rate of urban growth has been modest, particularly when compared to western and rest of Canada averages. For Saskatchewan, rural depopulation represents a significant shift in the nature of the province, one with serious political, economic, and social ramifications.

*Rest of Canada. Source: Statistics Canada (Census data), Canada West Foundation

URBANIZATION

Urban centres have driven population growth in Canada, and especially in the West

Figure 27: Urban Growth as a Percentage of Total Population Growth, 1966-1996



When urbanization trends are overlaid with population growth trends, a clear picture emerges: the West is growing because its urban areas are growing. Urban growth accounts for 95% of the West's population growth over the past 30 years. For Saskatchewan and Manitoba, the two provinces that have experienced rural depopulation, urban growth accounts for all the population growth.

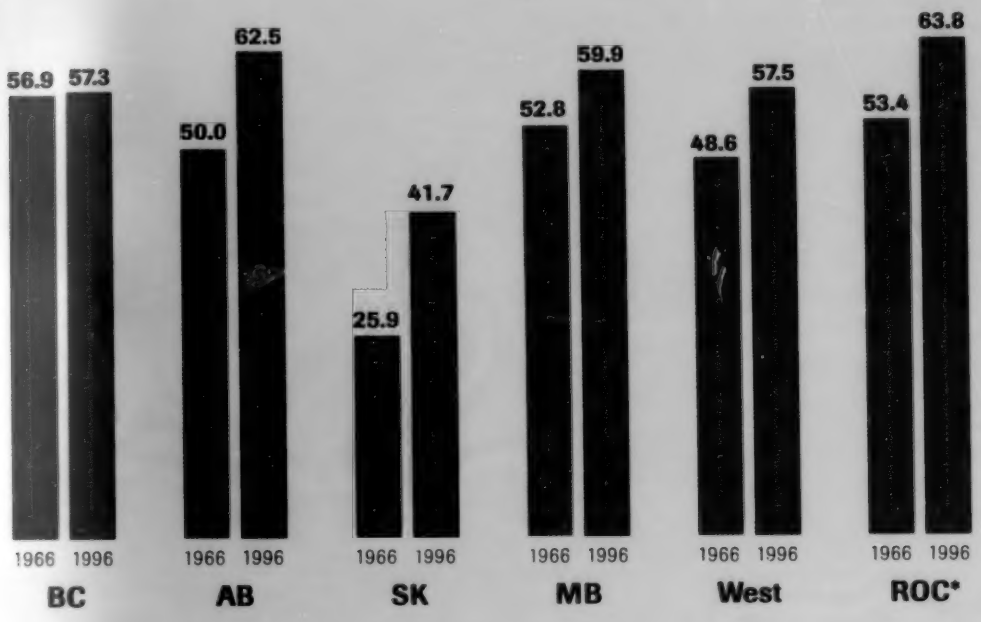
The differences between the West and the rest of Canada further reinforce the importance of urban growth to western Canada. The urban face of contemporary Canada is found more and more in the major cities of the West.

*Rest of Canada. Source: Statistics Canada (Census data), Canada West Foundation.

URBANIZATION

City-regions are becoming more important in the West

Figure 28: Percentage of Population Living in CMAs, 1966 and 1996



Census metropolitan areas (CMAs) are Canada's "city-regions" (urban areas with populations greater than 100,000). The West has seven CMAs: Vancouver, Calgary, Edmonton, Winnipeg, Victoria, Saskatoon, and Regina. In some CMAs, such as Calgary and Saskatoon, the "anchor" city accounts for almost all of the CMA population; in others, such as Vancouver and Edmonton, the population is spread across a broader region, including adjacent cities, towns and rural areas. CMAs are large centres of economic and political activity, and are what most Canadians think of as "big cities."

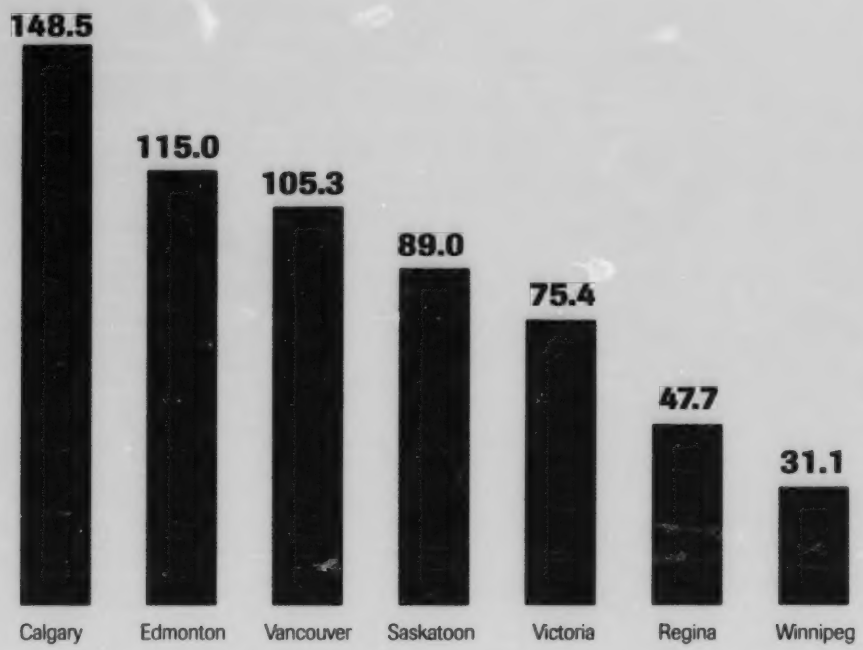
In each of the western provinces, the relative weight of the CMAs has grown, increasing the importance of the city-regions to the province's economy, society and political institutions. The growing importance of the city-regions is particularly seen in Alberta and Saskatchewan. Despite the increased percentage of provincial populations living in western CMAs, the rest of Canada continues to exceed the West on this measure. Thus, while the West is as urbanized as the rest of Canada, its large city-regions may not have the political and economic weight of those in other parts of Canada.

*Rest of Canada. Source: Statistics Canada (Census data), Canada West Foundation

URBANIZATION

Growth rates for large cities vary greatly across the West

Figure 29: Percent Change in Population Size, Western CMAs, 1966-1996



Three city-regions – Calgary, Edmonton and Vancouver – are experiencing very rapid urban growth, all having more than doubled their population since 1966. As a consequence, they must grapple with increased pressures on physical infrastructure, as well as the social challenges inherent in a large "newcomer" population. At the same time, these city-regions benefit from increased economic activity and a growing provincial, regional and national profile.

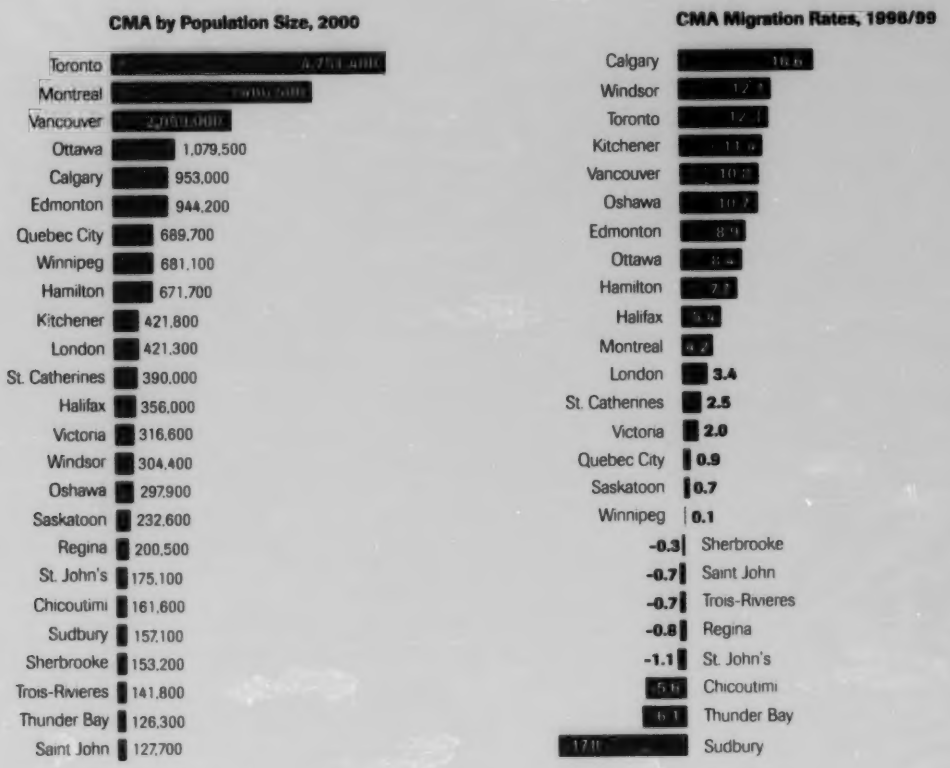
Not all of the western CMAs are growing briskly: Winnipeg, Regina and Victoria have experienced relatively modest growth. This again demonstrates growing disparities within the West, with some cities disproportionately benefiting from the opportunities created by urban growth.

*Rest of Canada. Source: Statistics Canada (Census data), Canada West Foundation.

URBANIZATION

Within a continental context, major western Canadian cities are still relatively small

Figure 30: Comparative Size of CMAs and Migration Rates



When western Canada's seven CMAs are placed along side the 18 found in the rest of Canada, only three of the West's city-regions are among Canada's true "big cities" (with populations at or very near to one million or more). To put this into a larger context, there are 47 Canadian and American cities with populations greater than one million, including 15 with populations greater than three million. Thus, while the West's city-regions are growing relative to their past, they do not stand out as continental powerhouses.

Migration rates reflect the degree of influx into the CMAs. Calgary, Canada's fastest growing city at present, is gaining population at a brisk rate, while Vancouver and Edmonton are also receiving a relatively high number of migrants. The other western cities, however, are not gaining from migration, and Regina is actually losing a greater number of migrants than it receives. This again points to strong differences among the western cities.

Migration rate refers to the net number of people migrating in and out of a city per 1,000 population. Migrants include those who relocated within their own province, those who moved from one province to another, and those who moved into or out of the country. Source: Statistics Canada.

220
240
260
SW
W
NW
N

7. ABORIGINAL POPULATION

Western Canada has a growing Aboriginal population, and many Aboriginal peoples are moving into urban settings.

There are a number of policy challenges in meeting the needs of the West's Aboriginal population, in part due to overlapping and unclear jurisdictional responsibilities among the federal, provincial, and municipal orders of government. However, if the disparities between the West's Aboriginal and non-Aboriginal populations are not addressed, the West will face serious challenges in the years ahead. The Aboriginal population is growing, with a large proportion residing in urban areas. The Aboriginal population is also younger than the non-Aboriginal population, and will represent a significant component of the potential work force in the years ahead. Thus, addressing the education, employment, income and crime rate disparities facing western Canada's Aboriginal peoples should be a high priority for governments and businesses alike.

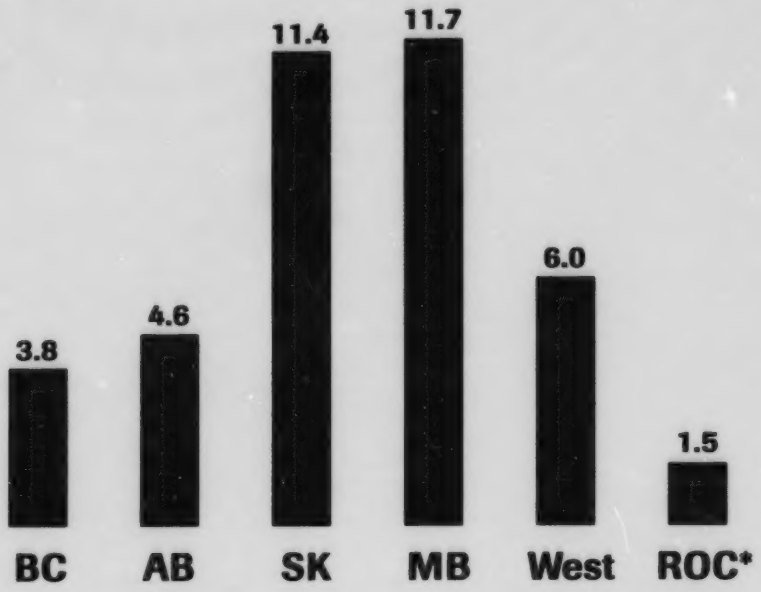
Data highlights for western Canada include:

- A full 6% of the West's population identifies itself as Aboriginal, compared with only 1.5% in the rest of Canada. Over one in ten Saskatchewan and Manitoba residents are Aboriginal.
- The Aboriginal population is younger than the non-Aboriginal population; relatively few Aboriginals are 65+ and relatively many are under 15.
- Aboriginal labour market participation rates are more than 10 percentage points lower than those for the total population of western Canada. Related to this, Aboriginal unemployment rates are much higher than provincial figures, with almost one in four members of the western Canadian Aboriginal labour force unemployed.
- In all four western provinces, Aboriginal personal income levels are typically only 60% of provincial averages (approximately $10,000 lower). This is reflected in a lower standard of living for the West's Aboriginal peoples.
- A greater proportion of the Aboriginal population's income comes from government transfers. However, for both the Aboriginal and the total population, most personal income is employment income.

ABORIGINAL POPULATION

Western Canada is home to almost two-thirds of Canada's Aboriginal population

Figure 31: Aboriginal Population as a Percentage of Total Population (1996 Census)



Prior to 1996, Census data on Aboriginal persons were derived from a question that asked about their ethnic origin or ancestry. The 1996 Census included a new question that asked more directly if the person was an Aboriginal person, that is, North American Indian, Métis or Inuit. This group is referred to as the "Aboriginal identity population" and is now the standard measure of Canada's Aboriginal population. 1996 Aboriginal identity population data are not comparable to previous Census data nor are they the same as data on Canada's "registered Indian population" collected by Indian and Northern Affairs Canada. It should also be noted that the 1996 Census figures do not include 77 incompletely enumerated Indian reserves and settlements (31 in western Canada).

Almost two-thirds (62.9%) of Canada's Aboriginal population live in one of the four western provinces. About 6% of the West's population identified itself as Aboriginal in the 1996 Census compared to only 1.5% for the rest of the country. The number of Aboriginals living in Saskatchewan and Manitoba is particularly high in both relative and absolute terms: over one in ten residents of Saskatchewan and Manitoba identified themselves as Aboriginal and more Aboriginals live in Saskatchewan and Manitoba combined (239,925) than in Ontario and Quebec (212,940). The importance of addressing the challenges facing Aboriginal peoples is therefore heightened in these two provinces.

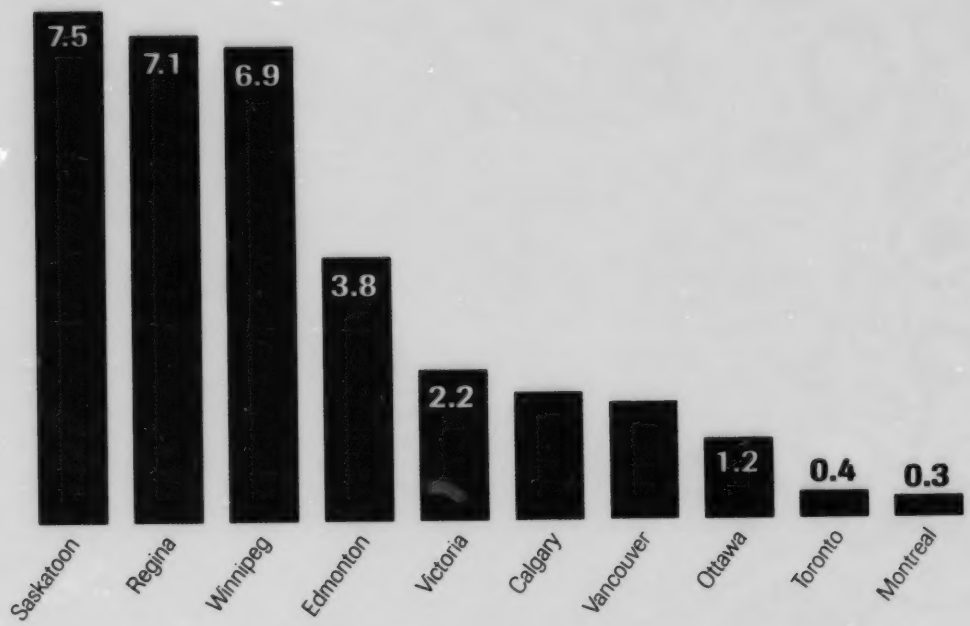
Of the 502,415 Aboriginals living in the West, 31.5% live on an Indian reserve; 63.0% have registered indian status; 65.7% identified themselves as North American Indians, 31.1% as Métis, and less than 1% as Inuit (about 2.9% said they were of multiple Aboriginal origins or another category).

*Rest of Canada. Figures refer to the Aboriginal identity population.
Source: Statistics Canada (1996 Census), Canada West Foundation.

ABORIGINAL POPULATION

The highest urban concentrations of Aboriginals are found in the city-regions of Manitoba and Saskatchewan

Figure 32: Aboriginal Population as a Percentage of Total Urban Population (1996 Census)



Many Aboriginals reside in, or are moving into, urban settings. Like their non-urban counterparts, urban Aboriginals face a myriad of social and economic challenges including unemployment, health concerns, poverty, and family violence. However, urban areas lack many of the supports necessary to address these issues. This presents significant challenges for both urban Aboriginals and the cities themselves.

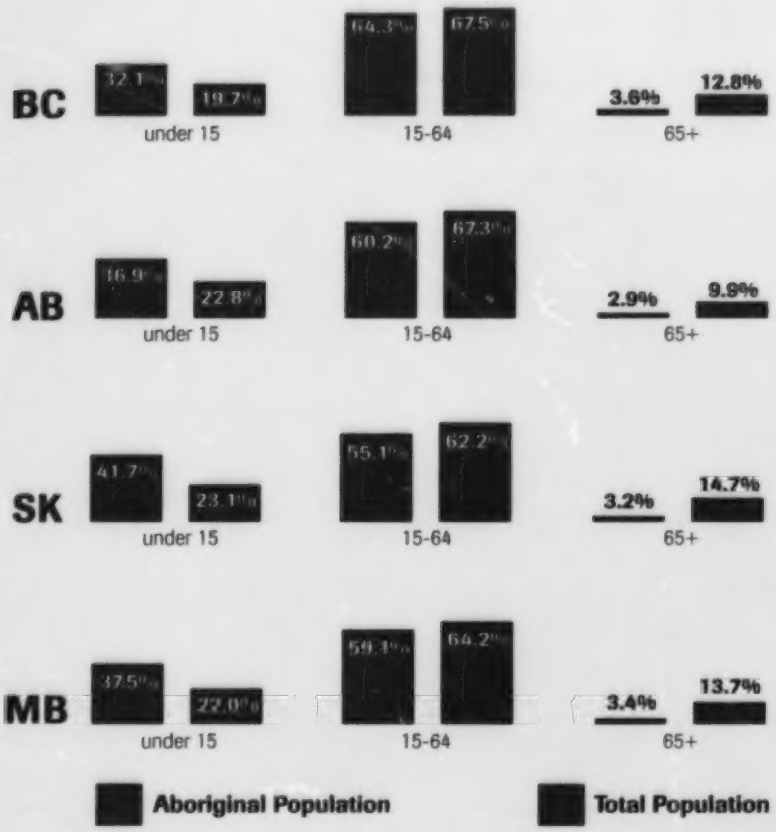
Adding to these challenges is a lack of clarity about the responsibilities of the federal, provincial, and municipal governments. Simply stated, urban centres are ill-prepared at multiple levels – policy, service provision, basic needs provision – to meet the demands of a growing urban Aboriginal population. The city-regions of Saskatoon, Regina, and Winnipeg are particularly faced by these challenges.

Figures refer to the Aboriginal identity population. Source: Statistics Canada (1996 Census), Canada West Foundation.

ABORIGINAL POPULATION

The Aboriginal and non-Aboriginal population in western Canada present sharply different demographic profiles

Figure 33: Aboriginal Population and Total Population by Age Group (1996 Census)



The Aboriginal population is much younger than the total population; a relatively large proportion of the Aboriginal population is under 15 and a relatively small proportion is 65 and over. As a result, while the non-Aboriginal population is adjusting to an increasing number of seniors and a low birth rate, the Aboriginal population will have a high birth rate and a relatively large number of people in the early stages of labour activity.

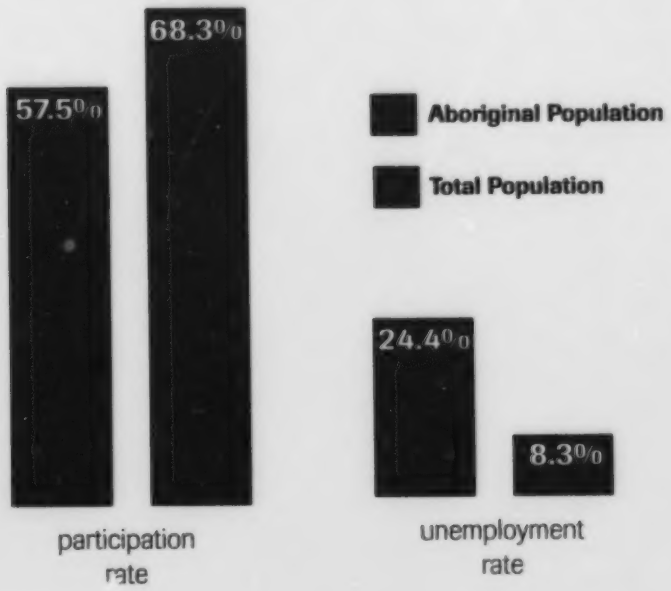
In policy terms, the large and growing Aboriginal youth population presents an opportunity in the face of national population aging and the labour shortage it may create. The challenge is to ensure that Aboriginal youth have the skills, opportunity, and motivation to successfully compete in the western Canadian labour market.

Figures refer to the Aboriginal identity population. Source: Statistics Canada (1996 Census), Canada West Foundation.

ABORIGINAL POPULATION

The potential contribution of Aboriginal people to the regional labour force has not been fully realized

Figure 34: Comparative Labour Force Statistics, Western Provinces (1996 Census)



There is a significant gap between Aboriginal and total population labour force participation rates in western Canada, with the Aboriginal participation rate more than 10 percentage points lower than the total rate. Related to this, the Aboriginal unemployment rate is much higher than the total rate, with almost one in four members of the western Canadian Aboriginal labour force unemployed as of the 1996 Census. If these labour force gaps can be addressed, there will be clear advantages to the Aboriginal population, to the western economy, and to governments. For the Aboriginal population, it will increase personal economic prosperity. For the western economy, increased Aboriginal labour force participation means an expanded labour force and access to younger workers. For governments, increased participation means reduced levels of dependence on income supports. To meet these ends, effective education and job training must be provided for Aboriginal people.

Figures refer to the Aboriginal identity population. Source: Statistics Canada (1996 Census), Canada West Foundation

ABORIGINAL POPULATION

The average income of Aboriginals is well below that of the general population

Figure 35: Average Income, 1995 (1996 Census)

Not surprisingly, given lower labour force participation and higher unemployment rates, the Aboriginal population has substantially lower average income levels than the population in general. For all four western provinces, Aboriginal personal income levels are typically only 60% of provincial averages (approximately $10,000 lower). This reflects a lower standard of living for the West's Aboriginal peoples, as research by the Royal Commission on Aboriginal Peoples and other agencies has demonstrated.

The income gap reinforces disparities between the Aboriginal and non-Aboriginal populations in the West.

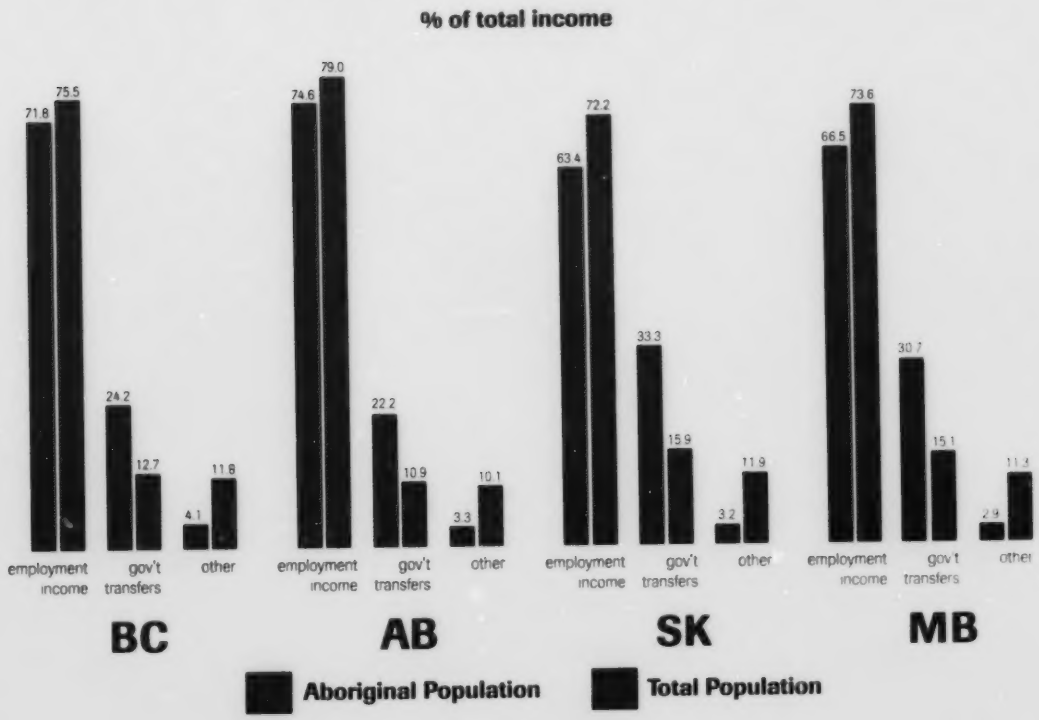
The uneven distribution of the Aboriginal community across provinces in the West, and among communities within provinces, also means that the income disparity reinforces other income disparities in the West.

Figures refer to the Aboriginal identity population. Average income refers to total income divided by the population 15 years of age and over. Source: Statistics Canada (1996 Census), Canada West Foundation.

ABORIGINAL POPULATION

Government transfers form a relatively large component of Aboriginal income

Figure 36: Composition of Income, 1995 (1996 Census)



A greater proportion of the Aboriginal population's income comes from government transfers. The level of government transfer income relative to other sources varies among the provinces, with Aboriginal peoples in Saskatchewan and Manitoba receiving a greater proportion of their incomes from government transfers than do Aboriginal peoples in Alberta and British Columbia.

It should be stressed, however, that most personal income for both the Aboriginal and the total population is employment income. For all four western provinces, Aboriginal peoples receive over 60% of their income in the form of employment income; in Alberta and British Columbia, these figures jump to over 70%.

Figures refer to the Aboriginal identity population. Source: Statistics Canada (1996 Census figures), Canada West Foundation

8. EMPLOYMENT

Employment growth indicates a region's ability to attract business investment and skilled workers; it is also a measure of the opportunities available for recent graduates and immigrants. The quality of a region's labour force is critical to its prosperity as employers require skilled workers to fill current and future positions. A skilled and productive work force will drive the region's economic success, which in turn will raise personal incomes. An employed and highly paid work force is critical to maintaining a stable tax base, which supports government services and infrastructure through income and payroll taxes.

Female participation in the labour force has risen since the 1970s but reached a plateau in the 1990s. The education levels and skill sets of the labour force have also increased, responding to employer needs. The labour force has grown older as the baby boom generation approaches retirement. At the same time, the labour market has become more exposed to outside competition as capital and production have become more mobile in the wake of increased globalization.

In the decades ahead, a major challenge for the western Canadian labour force is to replace the shrinking labour pool caused by increasing rates of retirement. Also, workers will have to adjust to evolving economic conditions (e.g., the rise of the "new economy") by developing and maintaining skills that will enable them to compete in the highly demanding global environment.

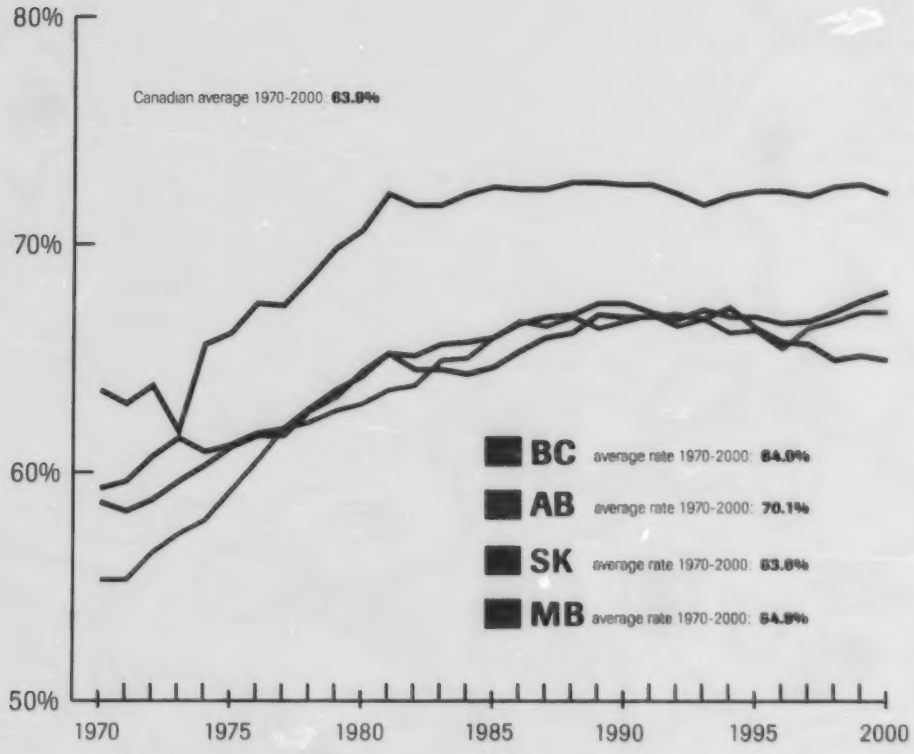
Data highlights for western Canada include:

- Alberta's labour force participation rates are consistently higher than regional and national averages.
- Unemployment rates reveal strong interprovincial differences: British Columbia's unemployment rate is consistently higher than the rate in the other western provinces.
- The West's employment growth has fallen behind that of the rest of Canada since 1998.
- For the West as a region, retail and wholesale trade is the largest employer, followed by health care and social assistance, and then manufacturing. By contrast, in the rest of Canada manufacturing is the largest employer, followed by retail and wholesale trade and then health care and social assistance.

EMPLOYMENT

Alberta's participation rate is well above the rates of the other three western provinces

Figure 37: Participation Rates in the West, 1970-2000



Over the past three decades, labour participation rates increased across the West as female participation in the labour market continued to rise. Female participation, however, has reached a plateau as has its effect on the overall participation rate. As the population ages and a larger percentage of the adult population leaves the labour force for retirement, participation rates will begin to drop.

Alberta has posted consistently higher participation rates than its neighbours (72.2% of Albertans 15 years of age and over were either employed or looking for work in 2000 compared to 65.9% for Canada as a whole). A relatively small proportion of people in the 65 and over age cohort combined with a dynamic economy explain the high rate of participation in Alberta.

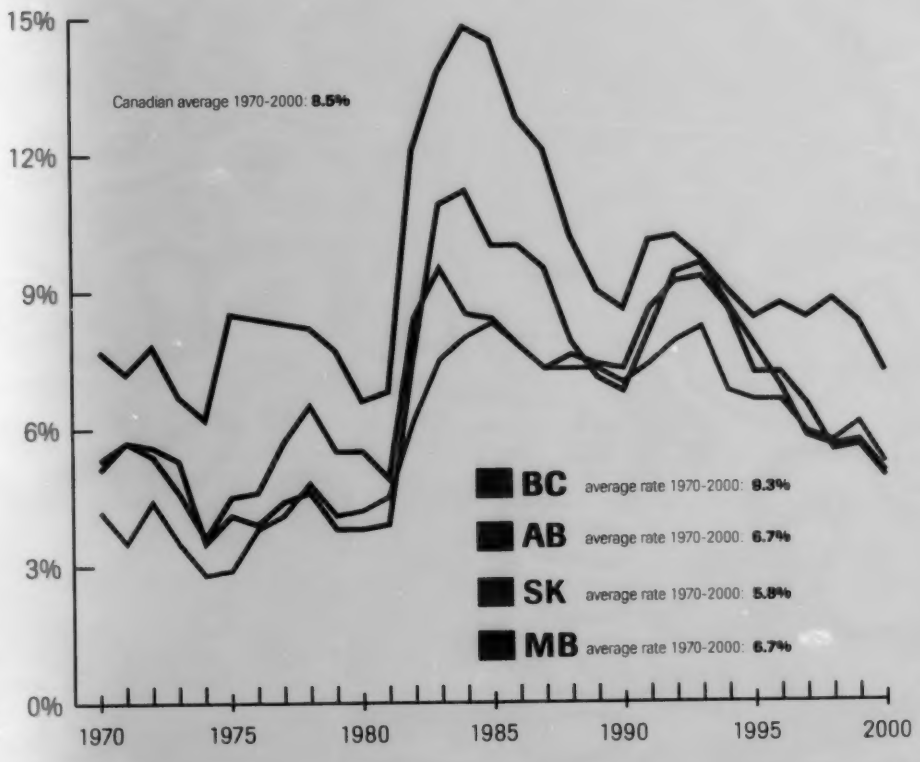
The flattening of labour force participation rates combined with an aging population suggests that increased participation will not be a major source of economic growth in the years ahead.

The participation rate represents the labour force (those employed and those looking for work) expressed as a percentage of the population 15 years and over. Source: Statistics Canada, Canada West Foundation.

EMPLOYMENT

British Columbia is the consistent outlier as regional unemployment rates fluctuate in response to changing economic conditions

Figure 38: Unemployment Rates in the West, 1970-2000



Unemployment rates have fallen in all four western provinces since the recession of the early 1990s.

Comparing the four jurisdictions, British Columbia stands out as the province with the highest level of unemployment. Low levels of unemployment in Saskatchewan and Manitoba are partly explained by the tendency of labour to migrate out of Saskatchewan and Manitoba to seek employment elsewhere.

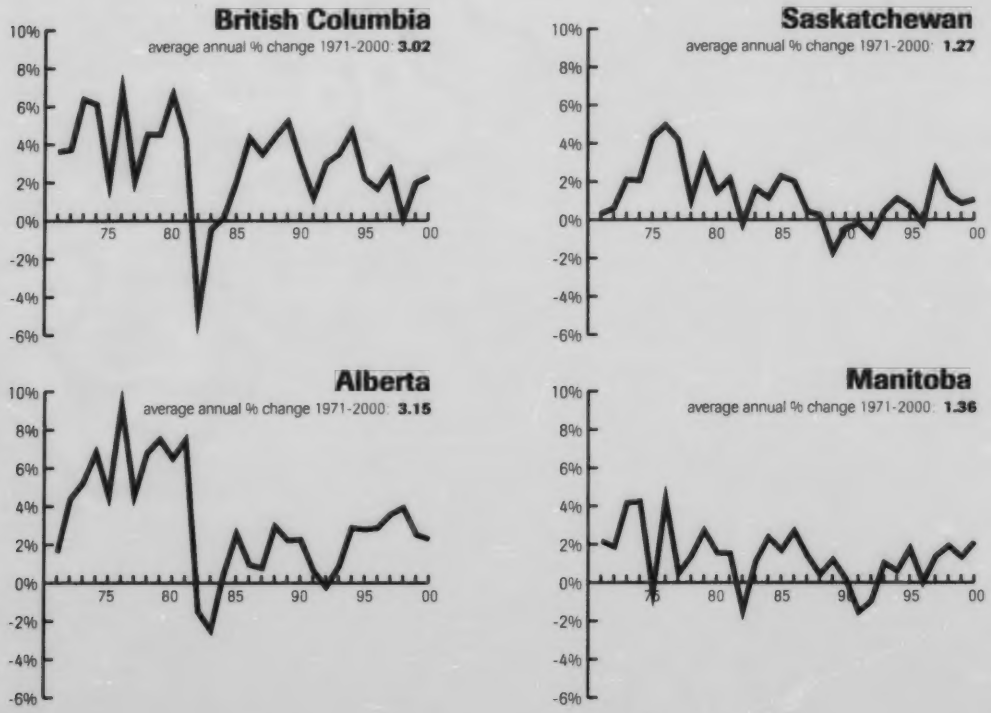
In 2000, Alberta, Saskatchewan, and Manitoba all had unemployment rates at or near 5%. In the same year, British Columbia's unemployment rate was 7.2%.

The unemployment rate represents the number of people unemployed and looking for work expressed as a percentage of the labour force (those employed plus those unemployed and looking for work). Source: Statistics Canada, Canada West Foundation

EMPLOYMENT

Employment growth has been strongest in British Columbia and Alberta

Figure 39: Annual Percent Change in Employment, 1971-2000



Canada has outperformed the rest of the country in terms of annual percent change in employment, posting average annual growth of 2.6% between 1971 and 2000 compared to only 2.0% in the rest of Canada. The West's two strong economies, Alberta and British Columbia, experienced average annual growth rates of 3.2% and 3.0% respectively, while Saskatchewan and Manitoba experienced much more modest employment growth. The average rates mask a great deal of volatility, particularly in British Columbia and Alberta.

There have been a number of dramatic ups and downs in employment growth that follow the business cycle: intense job growth during periods of economic expansion followed by low or even negative growth during periods of recession. This is seen clearly in the recession years of the early 1980s, when all four western provinces experienced negative employment growth. In general, employment growth has slowed significantly since the 1970s, within both the West and Canada as a whole.

Source: Statistics Canada, Canada West Foundation.

EMPLOYMENT

With some exceptions, the structure of employment in the West is not dramatically different from that of the national economy

Figure 40: Employment by Industry, 2000

	BC	AB	SK	MB	West	ROC
			% of total employment			
Goods-producing sector	*21.3*	*27.3*	*27.8*	*26.3*	*24.7*	*26.5*
Agriculture	1.5	4.4	12.8	6.0	4.2	1.7
Forestry, fishing, mining, oil and gas	2.8	5.2	3.3	1.2	3.5	1.2
Utilities	0.6	0.8	0.7	1.2	0.7	0.8
Construction	5.8	8.1	4.9	5.1	6.4	5.1
Manufacturing	10.5	8.8	6.0	12.8	9.7	17.8
Service-producing sector	*78.7*	*72.7*	*72.2*	*73.7*	*75.3*	*73.5*
Trade (retail and wholesale)	15.6	15.9	15.7	14.7	15.6	15.5
Transportation and warehousing	5.9	6.1	5.8	6.3	6.0	4.9
Finance, insurance, real estate and leasing	6.1	5.0	5.5	5.4	5.6	5.9
Professional, scientific and technical services	7.0	6.8	3.4	4.2	6.2	6.4
Management, administrative and other support	3.7	3.3	2.1	3.0	3.3	3.8
Educational services	6.9	6.3	7.4	7.1	6.8	6.4
Health care and social assistance	10.4	9.4	11.3	12.6	10.4	10.2
Information, culture and recreation	5.1	3.9	3.7	6.6	4.7	4.3
Accommodation and food services	8.4	7.2	6.8	6.6	7.6	5.9
Other services	5.1	4.8	4.9	4.3	4.9	4.6
Public administration	4.6	3.9	5.5	6.0	4.6	5.3

Looking at employment by industry, the differences among provincial economies become clear. Within the West, retail and wholesale trade is the single largest industry in terms of employment. That is where the similarities end. While manufacturing is the second largest employer for British Columbia and Manitoba, it ranks third in Alberta and sixth in Saskatchewan.

Alberta's second largest employment industry is health care and social assistance, the third top employment industry in the other western provinces. And Saskatchewan's second largest employment industry, agriculture, fails to rank among the top five for the other western provinces.

Industry categories are based on the 1980 Standard Industrial Classification.
Source: Statistics Canada, Canada West Foundation.

EMPLOYMENT

The pattern of employment in the West has been far from static over the past decade

Figure 41: Employment by Industry, Percent Change 1990-2000

	BC	AB	SK	MB	West	ROC
			% change 1990-2000			
All Industries	*25.4*	*24.2*	*6.8*	*7.6*	*20.3*	*11.3*
Goods-producing sector	*6.1*	*19.7*	*-9.2*	*8.8*	*9.0*	*0.4*
Agriculture	1.7	-27.3	-25.2	-16.8	-21.5	-10.6
Forestry, fishing, mining, oil and gas	5.7	11.2	24.2	-20.5	8.6	-22.4
Utilities	-13.1	-6.7	-18.2	19.3	-6.3	-22.5
Construction	-5.9	52.2	3.0	20.3	16.9	-7.8
Manufacturing	16.6	48.4	17.7	25.1	26.6	7.9
Service-producing sector	*31.8*	*26.0*	*14.5*	*7.2*	*24.6*	*15.9*
Trade (retail and wholesale)	15.1	21.9	7.5	0.0	14.5	10.4
Transportation and warehousing	26.0	45.9	46.4	3.2	30.5	15.7
Finance, insurance, real estate and leasing	19.5	6.5	16.7	-1.7	12.1	-1.4
Professional, scientific and technical services	54.8	86.7	59.0	34.3	63.6	65.4
Management, administrative and other support	97.0	56.2	30.0	49.1	69.6	78.4
Educational services	51.9	9.2	16.5	9.5	25.5	11.0
Health care and social assistance	36.6	27.9	7.9	18.6	27.2	15.4
Information, culture and recreation	45.2	26.4	10.4	9.9	29.2	29.4
Accommodation and food services	41.9	52.1	30.8	9.9	39.6	17.0
Other services	30.8	26.5	13.3	-6.3	22.2	10.1
Public administration	0.8	-25.3	-11.9	-2.1	-10.4	-7.8

An examination of employment changes lays bare the growing and diminishing roles of various industries in the West. As a region, the West experienced much higher employment growth across all industries between 1990 and 2000 than did the rest of Canada; total employment in the West grew by 20.3%, compared to only 11.3% for the rest of the country. Again, important variations are seen among the provinces, with Saskatchewan and Manitoba lagging behind Alberta and British Columbia as well as the rest of Canada.

Only three industries – agriculture, public administration, and utilities – experienced declining employment, with agriculture experiencing significant drops in all provinces except British Columbia.

Employment in the natural resource sector expanded in the West (though not in Manitoba) while shrinking significantly in the rest of the country.

Industry categories are based on the 1980 Standard Industrial Classification.

Source: Statistics Canada, Canada West Foundation.

9. INCOME

Average income levels reflect the amount of income in a provincial system – income available for taxation, consumer activity, and investment. A province with higher average income levels has a larger potential tax base, and businesses in a province with high average income levels have a greater potential domestic market. In this way, average income levels speak to a province's economic vitality. However, average income levels are aggregate data controlled for population size, and therefore do not account for individual circumstances. For example, one could not use aggregate income levels to make assumptions about the income levels of a particular education cohort or profession. In addition, it should be stressed that average income levels reflect only income, and do not account for personal wealth such as home ownership. Lastly, readers should note that income levels do not reflect differences in cost of living or purchasing power.

Average income levels vary across provinces for a number of reasons. Taxation levels affect after tax income levels, with provinces with higher tax rates driving down the after tax income levels of their residents. Education and employment variations among the provinces are also reflected in income levels: provinces with higher education levels tend to have higher incomes, as will provinces with high employment participation – particularly full-time employment and "white collar" employment. (Not surprisingly, education, employment, and income are highly correlated.) Lastly, average income levels in part reflect the economic differences among the provinces, with strong economies typically having higher average income levels.

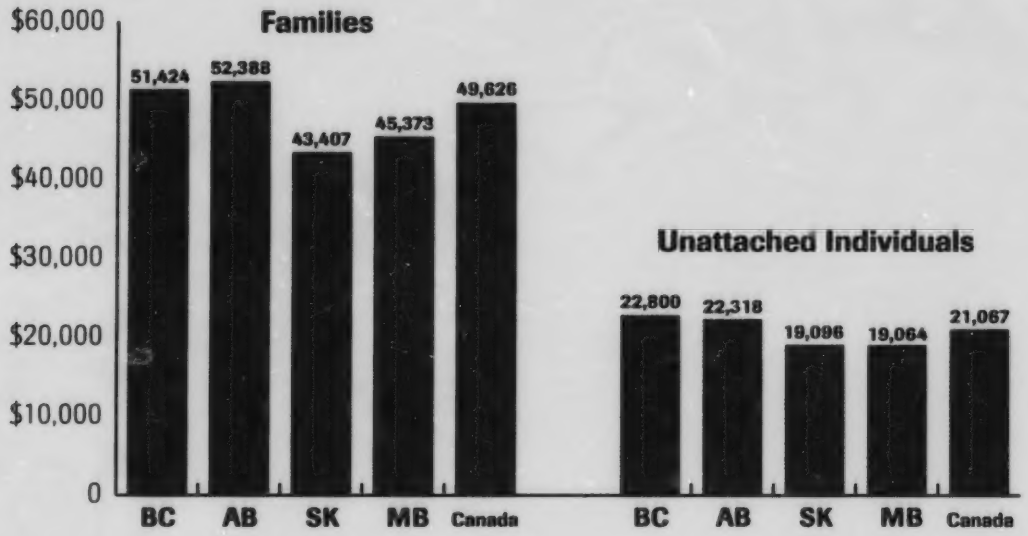
Data highlights for western Canada include:

- Controlling for population size, British Columbia and Alberta generate more aggregate income than Saskatchewan and Manitoba.
- Growth in real income has started an upward trend in recent years.
- Seniors and (to a lesser extent) lone parent families are highly dependent on government transfers as a source of income.
- Income disparity is growing in the West and in Canada. In the West, Alberta has the largest gap between high and low income groups, while British Columbia has the smallest gap.

INCOME

British Columbia and Alberta have higher average income levels than the rest of the country whereas income levels in Saskatchewan and Manitoba are lower

Figure 42: Average After-Tax Income, 1998



Average after-tax income varies significantly across the four western provinces. Controlling for population size, British Columbia and Alberta generate more aggregate income than Saskatchewan and Manitoba. This is true of market income (income from employment and investments), total income (i.e., market income plus government transfers), income before and after taxes, and over time.

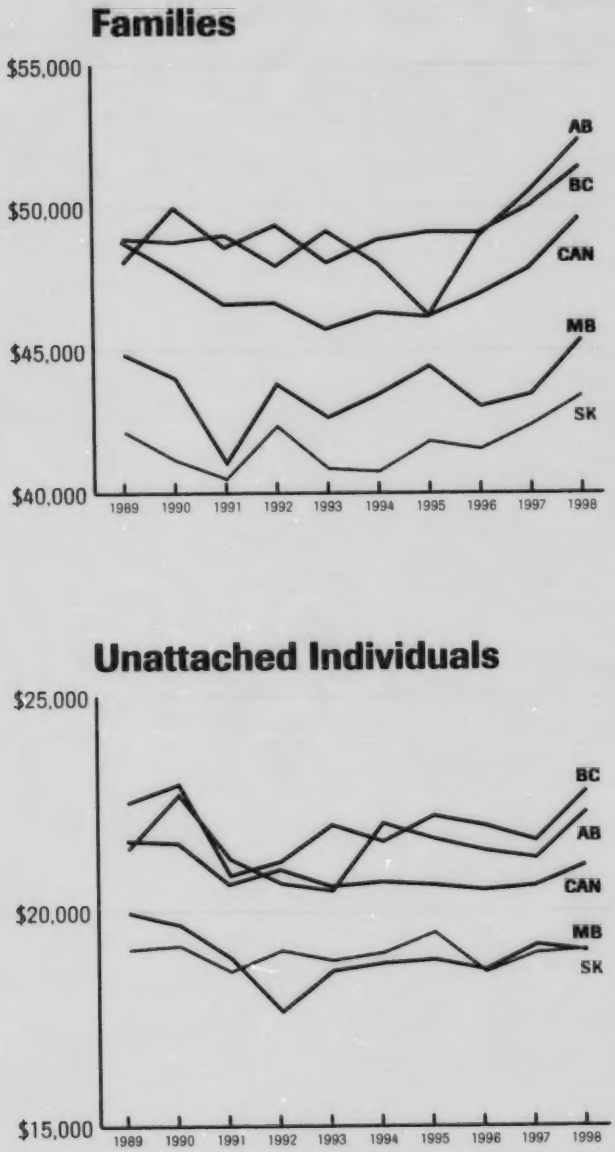
On average, Alberta families earned the most in 1998 at $52,388 (after taxes) followed closely by British Columbia ($51,424) and more distantly by Manitoba ($45,373) and Saskatchewan ($43,407). The Canadian average for 1998 was $49,626. Unattached individuals in British Columbia took home slightly more than their counterparts in Alberta ($22,800 versus $22,318). As is the case with family income, unattached individuals in Saskatchewan and Manitoba took home relatively less at $19,096 and $19,064 respectively (the national average was $21,067).

Source: Statistics Canada.

INCOME

Growth in real income was stagnant in the 1990s, but has recently picked up steam

Figure 43: Average After-Tax Income, 1989-1998 (1998 constant dollars)



Growth in real income has been stagnant, but has started to trend upward in recent years.

Changes over the past decade in average after-tax income within the four western provinces have tracked Canadian trends.

Average family income levels in British Columbia and Alberta were higher than the national level throughout the 1990s while levels in Saskatchewan and Manitoba have remained below the national benchmark.

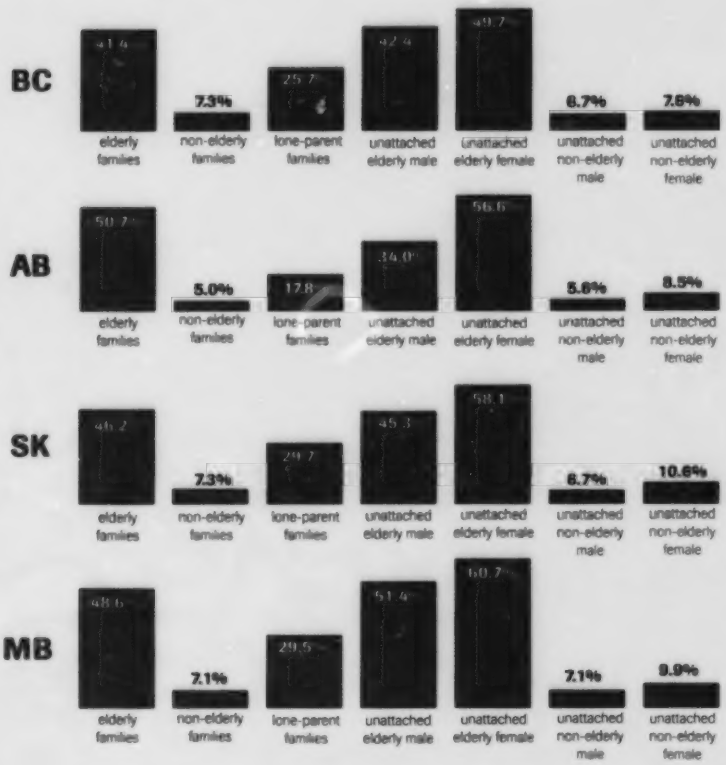
These differences reflect the economic circumstances of each province, and speak to the disparities within the West.

Source: Statistics Canada.

INCOME

Government transfer payments are particularly important components of the annual income of seniors and lone-parent families

Figure 44: Government Transfers as a Percentage of Total Income by Family Type, 1998



The percentage of total income provided by government transfer payments varies greatly by age and family type. Canadian families received an average of $6,892 in government transfer payments in 1998 (11.1% of total family income); unattached individuals received $5,027 (19.5% of total unattached individual income).

Seniors are the most dependent on government transfers such as Old Age Security and Canada Pension Plan payments. Elderly families received an average of $18,878 in government transfers in 1998 compared to $4,994 for non-elderly families. This points to the importance of discussing ways to maintain the income support system for seniors in the face of a rapidly aging population.

Lone-parent families also receive a large portion of their annual income in the form of government transfers.

Government transfers include, for example, Employment Insurance benefits, Old Age Security and Canada Pension Plan payments, welfare, the Child Tax Benefit, workers' compensation, and the GST credit. Source: Statistics Canada.

INCOME

Over the last decade, income disparities have increased across Canada and in the West

Figure 45: Household Income Shares by Quintile, 1989 and 1999

Average Market Income (% of total)

	BC		AB		SK		MB		Canada	
	1989	1998	1989	1998	1989	1998	1989	1998	1989	1998
Lowest quintile	3.6	2.4	2.5	1.6	2.4	2.2	3.0	2.2	2.6	1.8
Second quintile	8.8	8.4	8.9	8.3	7.9	7.7	9.4	7.7	8.7	7.4
Middle quintile	17.4	16.3	17.3	15.6	15.5	14.5	16.8	15.6	16.8	15.1
Fourth quintile	26.1	25.6	26.1	25.3	26.6	25.7	25.0	25.1	25.5	25.5
Highest quintile	44.2	47.3	45.3	49.1	47.5	49.9	45.8	49.4	46.3	50.1

Average After-Tax Income (% of total)

	BC		AB		SK		MB		Canada	
	1989	1998	1989	1998	1989	1998	1989	1998	1989	1998
Lowest quintile	5.4	5.2	5.0	4.2	5.6	5.7	6.1	5.5	5.7	5.0
Second quintile	11.8	11.2	11.6	11.1	11.4	11.5	11.7	10.9	11.7	11.0
Middle quintile	18.0	17.3	17.9	16.9	17.5	16.7	17.4	17.2	17.6	16.7
Fourth quintile	25.1	24.8	25.1	24.9	25.1	24.5	24.7	24.5	24.5	24.4
Highest quintile	39.8	41.5	40.3	43.0	40.4	41.7	40.1	41.9	40.6	42.8

Income disparity in Canada increased during the 1990s. In 1989, the top quintile earned 18 dollars of market income for every dollar of market income earned by the lowest quintile; this ratio increased to 28 by 1998. Looking at the proportion of total market income earned by the top quintile of earners, we find that it has increased from 46.3% in 1989 to over 50% in 1998. On average, families and unattached individuals in the top quintile earned $109,116 in 1998 compared to $3,993 for those in the bottom quintile.

When the redistributive effects of government transfer payments and taxes are taken into account, the gap between the top quintile and the bottom quintile narrows but remains both significant and, moreover, larger than it was in 1989. For every after-tax dollar taken home by the bottom quintile, the top quintile took home 9 in 1998 compared to 7 in 1989. On average, the top quintile took home $85,606 in 1998 compared to $10,017 for the bottom quintile.

Within the West, the gap between the top and the bottom is widest in Alberta with the top quintile earning 31 dollars of market income for every dollar the bottom quintile earns. The gap is smallest in British Columbia at 20 to 1.

Household income includes both families and unattached individuals. Source: Statistics Canada.

240
220
SW
W

10. GROSS DOMESTIC PRODUCT

Gross domestic product (GDP) is an estimate of the total value of goods and services produced by an economy. As such, it measures the growth, health, and relative size of an economy. Although GDP is the standard comparative measure, it is not a perfect indicator and should not be used to infer superior standards of living or quality of life. Erratic swings in the value of a dominant commodity, for example, can dramatically change GDP without greatly affecting living standards. The GDP also fails to track "soft" economic activity such as volunteerism, or investments for future generations such as planting forests – both of which increase community wealth and personal enrichment.

Strong GDP growth indicates economic expansion and prosperity, while weak GDP growth indicates a sluggish economy and GDP decline over two consecutive quarters indicates recession. In this way, GDP tracks the fluctuations of the business cycle. GDP growth is also important in relative terms: if a province sees its GDP increase relative to that of other provinces, the contribution of its economy to the country has increased.

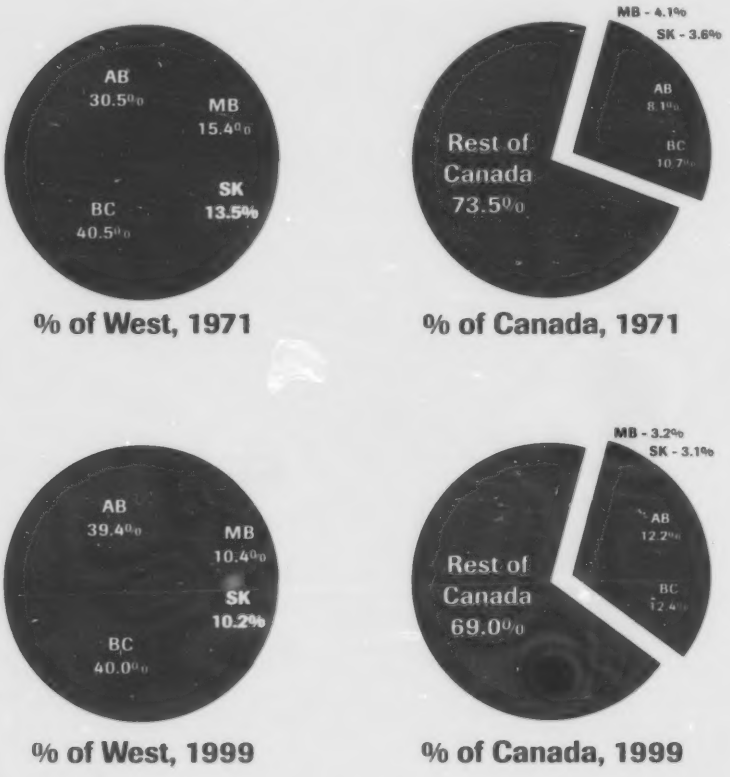
Data highlights for western Canada include:

- Although the West's contribution to the national economy increased over the 1971-1999 period, the increase is only slightly larger than the proportionate increase in the region's population.
- Alberta and British Columbia account for a quarter of Canada's GDP; Saskatchewan and Manitoba account for about 6%.
- Within the West, the relative size of Alberta's GDP has increased since the 1970s, British Columbia's has remained the same, and Saskatchewan and Manitoba's has decreased.
- Alberta posted the largest regional increase in real GDP per capita in the region between 1971 and 1999. Real per capita GDP growth in Alberta and Saskatchewan outpaced the rest of Canada while growth in British Columbia and Manitoba was below the non-western average.
- In the 1990s, Alberta once again stands out as the western province with the strongest GDP growth. British Columbia experienced extremely low real per capita GDP growth in the 1990s (less than 1%).
- Compared to Alberta and Saskatchewan, British Columbia and Manitoba produce more services than goods. Alberta and Saskatchewan stand out because of the large proportion of their GDP generated by the mining, quarrying, and oil well sector. Saskatchewan also has a relatively high proportion of it GDP generated by primary agriculture.

GROSS DOMESTIC PRODUCT

The West's contribution to the national economy has increased since 1971

Figure 46: Relative Size of GDP, 1971 and 1999 (nominal market prices)



GDP figures can be used to track both changes in the West's relative weight within the national economy and changes in provincial contributions to the regional economy.

The West's weight within the national economy has increased from 26.5% of Canada's GDP in 1971 to 31.0% in 1999 - an increase that slightly exceeds the region's relative growth in population.

Overall, the West's contribution to the national economy can best be described as proportionate rather than disproportionate.

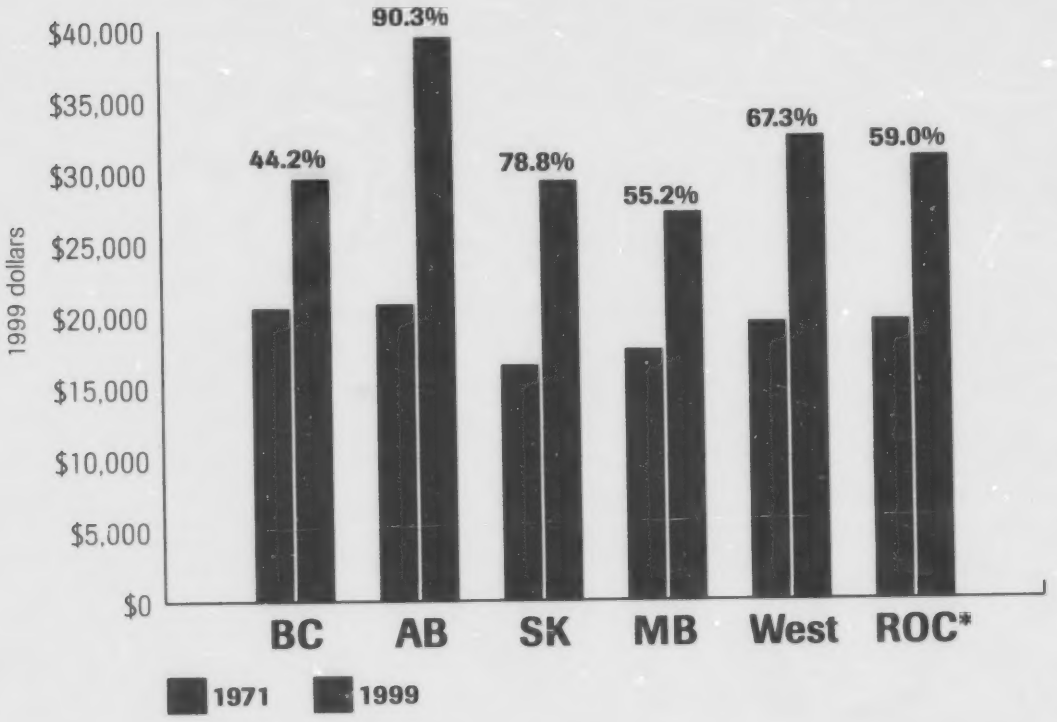
Within the West, Alberta's contribution to the regional economy has grown significantly while that of Saskatchewan and Manitoba has diminished.

Source: Statistics Canada (Catalogue 13-213 and CANSIM I Matrices 9014, 9021-9024), Canada West Foundation

GROSS DOMESTIC PRODUCT

Per capita GDP growth has varied substantially across the four western provinces

Figure 47: Per Capita GDP in Inflation-Adjusted Dollars, 1971 and 1999 (with % change)



Over the past 28 years, per capita GDP growth in the West has exceeded growth in the rest of the country. Within the West, Saskatchewan and Alberta have posted growth rates above the rest of the country while Manitoba and most notably British Columbia have lagged.

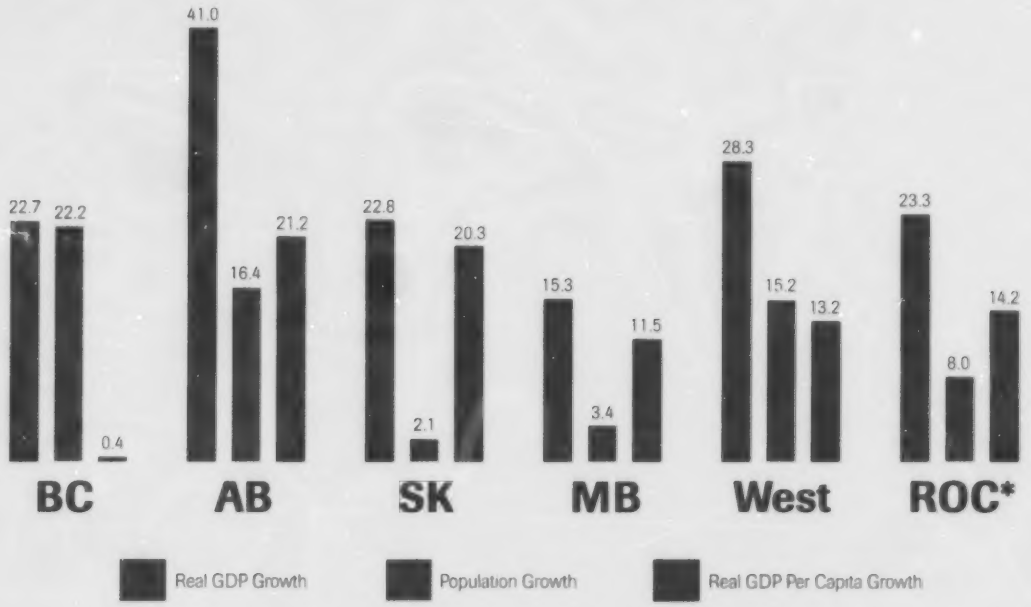
Differential growth rates have left the West as a whole with a higher per capita GDP than the rest of Canada. However, in 1999 provincial per capita GDP was in fact lower than in the rest of Canada for three of the four western provinces.

*Rest of Canada. Figures are in 1999 dollars. GDP figures for 1971 converted to 1992 prices are not available. As a result, nominal GDP figures for 1971 and 1999 have been adjusted for inflation using the Consumer Price Index.
Source: Statistics Canada (Catalogue 13-213, CANSIM I Matrices 9014, 9021-9024 and population figures), Canada West Foundation

GROSS DOMESTIC PRODUCT

Per capita GDP growth in B.C. was markedly slower than in the rest of the West in the 1990s

Figure 48: Real GDP Growth in the 1990s (% change between 1990 and 1999)



During the 1990s, all western Canadian provinces except British Columbia experienced GDP growth well above population growth.

On a per capita basis, Alberta and Saskatchewan are both noteworthy, with real GDP growth per capita significantly higher than the other two western provinces and the rest of Canada. British Columbia's real GDP growth per capita is remarkably low in both comparative and absolute terms, and reflects challenges faced by British Columbia during the 1990s such as the Asian economic downturn. British Columbia's GDP is barely keeping pace with its population growth.

The weak growth in British Columbia caused per capita GDP growth in the West as a whole to be slightly less than growth in the rest of Canada during the 1990s.

*Rest of Canada. GDP figures are at 1992 prices.

Source: Statistics Canada (CANSIM I Matrices 9028, 9035-9038 and population figures), Canada West Foundation.

GROSS DOMESTIC PRODUCT

The relative contributions of different sectors to provincial GDP reveal significant variations in the provincial economies

Figure 49: GDP at Factor Cost by Industry, 1999

	BC	AB	SK	MB	West	ROC
			% of total			
Goods-producing industries	**25.4**	**40.3**	**37.3**	**27.4**	**32.7**	**32.7**
Agriculture and related services industries	1.2	3.4	8.3	3.2	3.0	1.2
Fishing and trapping industries	0.2	0.0	0.0	0.0	0.1	0.1
Logging and forestry industries	2.7	0.3	0.4	0.2	1.2	0.3
Mining, quarrying, and oil well industries	2.5	15.6	13.1	1.8	8.7	1.0
Manufacturing industries	9.9	9.6	6.3	13.0	9.8	21.7
Construction industries	6.2	8.5	5.9	5.1	7.0	4.8
Other utility industries	2.6	2.9	3.5	4.1	3.0	3.5
Service-producing industries	**74.6**	**59.7**	**62.7**	**72.6**	**67.3**	**67.3**
Transportation and storage industries	6.1	6.4	7.0	6.8	6.4	3.9
Communication industries	3.6	2.9	3.6	4.6	3.4	3.7
Wholesale trade industries	5.6	5.7	5.7	6.3	5.7	6.6
Retail trade industries	6.9	5.5	5.7	6.3	6.2	6.5
Finance, insurance and real estate industries	19.5	12.8	14.1	16.6	16.0	16.2
Business service industries	5.9	5.9	3.3	2.9	5.3	6.3
Government service industries	5.6	4.8	6.1	8.1	5.6	6.3
Educational service industries	6.2	4.4	4.8	6.0	5.3	5.4
Health and social service industries	6.8	4.4	6.4	8.1	5.9	6.2
Accommodation, food and beverage service industries	3.8	3.0	2.8	2.8	3.3	2.4
Other service industries	4.7	4.0	3.1	4.1	4.2	3.8

For British Columbia, Saskatchewan, and Manitoba, the lead industrial sector in 1999 was finance, insurance and real estate; this sector was the second largest for Alberta. In Alberta, not surprisingly, the largest sector was mining, quarrying, and oil wells. It is interesting to note the relative position of the industries within individual provinces. For example, agriculture is Saskatchewan's third largest industry, falling behind mining, quarrying and oil well industries. Manufacturing ranks second in both British Columbia and Manitoba.

An industrial sector's contribution to GDP should not, however, be seen as its entire contribution to the economic health of a province. Many of the service-producing industries are highly reliant upon the goods-producing industries. In addition, a sector's employment weight must be considered; for example, the health and social service sector, the second largest employer in the West, accounts for a relatively modest share of GDP.

It should be stressed that the GDP figures presented above, as percentages, do not compare the absolute GDP levels per sector. For example, manufacturing accounts for a larger share of Manitoba's GDP than it does for Alberta's GDP, but in dollar terms, Alberta's manufacturing sector produces more.

Industry categories are based on the 1980 Standard Industrial Classification.
Source: Statistics Canada CANSIM I Matrices 4677, 8424-8427.

11. EXPORTS

The dollar value and importance of international exports have been growing in the West and in Canada as a whole. As a result of liberalized trade policies and increased demand, the West is exporting large quantities goods to foreign markets, particularly the United States. In 1999, the West's international exports totaled $84.3 billion, a full three times its exports in 1981 (in real terms). At the same time, internal or interprovincial trade has also increased, but at a slower rate; the West's 1999 interprovincial trade totaled $52.4 billion – 1.4 times the 1981 level. Clearly, both international and internal trade are of great importance to the western Canadian economy.

In terms of public policy, the growing economic importance of trade points to the globalization of world economies, and places greater emphasis on Canada's trade agreements, both international (such as the North American Free Trade Agreement) and internal (the Agreement on Internal Trade). Concerns about trade barriers remain, with some critics arguing that Canada's internal trade barriers are as, or even more, formidable than many international trade barriers. Others continue to express concern about the effects of free trade on Canadian culture and identity.

Even with free trade agreements in place, policymakers will be required to continually negotiate the terms and implications of these agreements, as the 2001 debates between Canada and the United States over softwood lumber demonstrate. Overall, any changes in trade policy will have significant implications for western Canada.

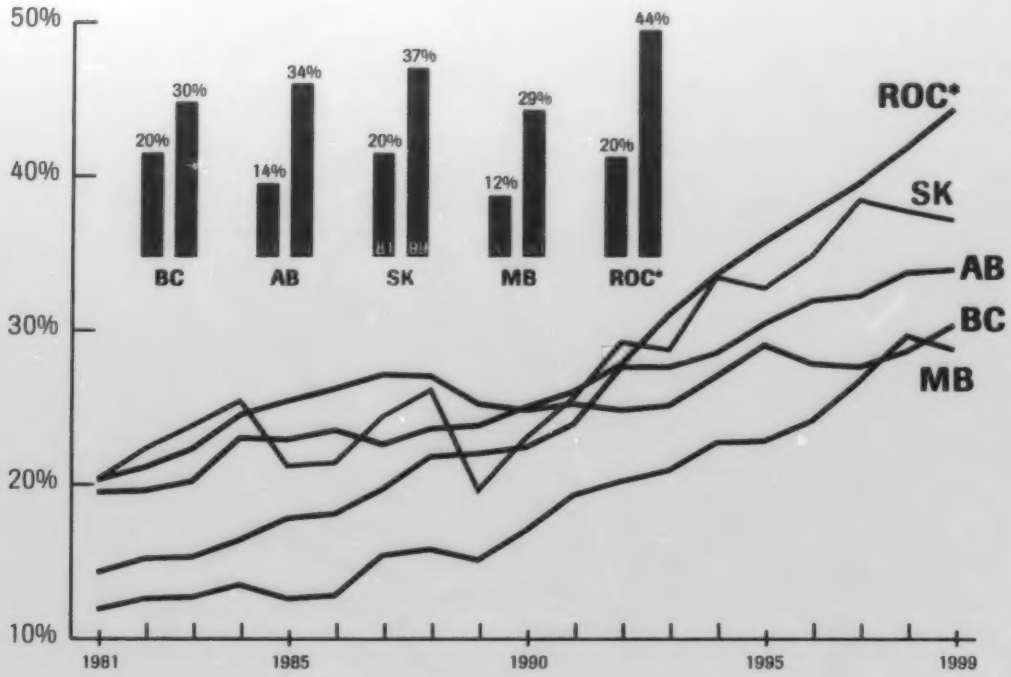
Data highlights for western Canada include:

- International exports have increased in importance throughout the West as they have in the rest of Canada. The level of interprovincial exports has also increased, but at a slower rate than foreign trade.
- For all four western provinces, the vast majority of international exports are destined for the United States. The U.S. received 78.3% of the West's foreign exports in 2000. Alberta and Manitoba are particularly dependent upon the U.S. economy. However, the West is less dependent on the U.S. economy than is the rest of Canada.
- Asia is the second largest market for the West's international goods at 12.8% of the West's exports to other countries in 2000. British Columbia and Saskatchewan are more dependent on Asian markets than are Alberta and Manitoba.
- Alberta, British Columbia, and Saskatchewan exports are dominated by volatile resource and agriculture commodities.

EXPORTS

International exports have grown dramatically in recent years

Figure 50: International Exports as % of GDP, 1981-1999 (1992 prices)



International exports are increasingly important to the Canadian economy, and all four western provinces have seen their international exports increase since 1981 in both proportionate and absolute terms. This growth reflects broader trends of international trade liberalization but is mostly due to increased demand in the United States.

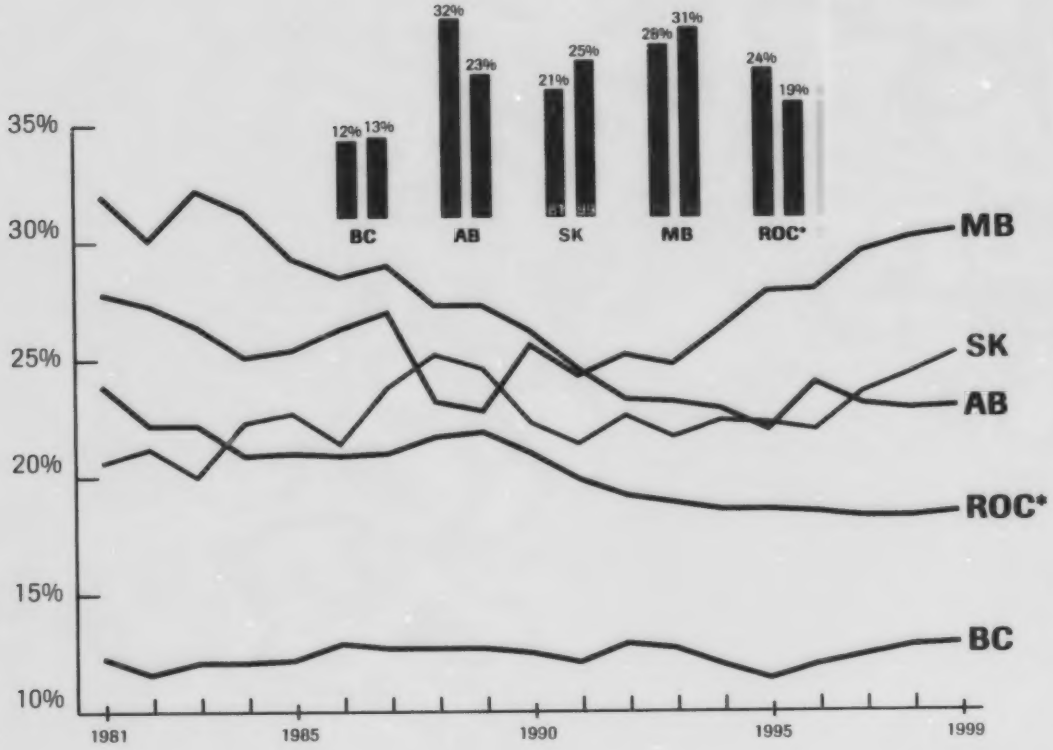
The public policy implications of increased trade are considerable. Transportation infrastructure, including not only roads and railways, but also airports and air traffic patterns, becomes a north-south issue as much as an east-west issue. Customs policy and efficiency are key factors to expeditious trade and communications infrastructure must be continually modernized.

*Rest of Canada. Exports include exports of goods and services on a balance of payments basis.
Source: Statistics Canada (CANSIM I Matrices 9028, 9035-9038), Canada West Foundation.

EXPORTS

As a percentage of GDP, interprovincial trade is less important than international trade but is still a large component of the western economy

Figure 51: Interprovincial Trade as a % of GDP, 1981-1999 (1992 prices)



Although the dollar value of interprovincial trade has been increasing, its growth has not matched that of international trade. In real terms, the West experienced 200% growth in international trade between 1981 and 1999, but only 44.7% growth in interprovincial trade. The West's international trade in 1999 totaled $84.3 billion, while interprovincial trade totaled $52.4 billion.

Measured relative to GDP, the value of British Columbia's exports to other provinces is the lowest in the West at 13% while Manitoba is the highest at 31%. Overall, the three Prairie provinces are more involved in interprovincial trade than is the rest of Canada.

Clearly, the importance of internal trade varies greatly among the provinces. Changes in interprovincial trade policy, such as the reduction of internal trade barriers through greater enforcement of the Agreement on Internal Trade, could be of particular importance to the Prairie provinces.

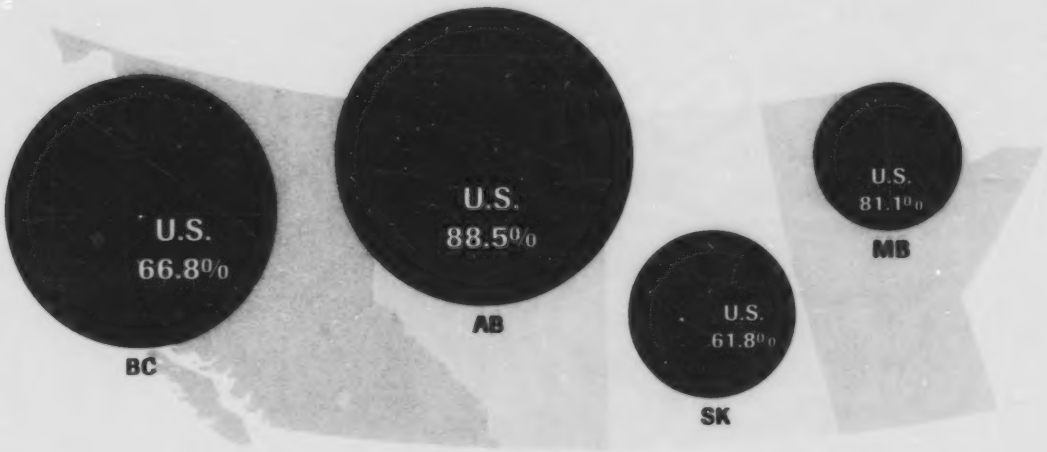
*Rest of Canada. Interprovincial exports include exports of goods and services.

Source: Statistics Canada (CANSIM I Matrices 9028, 9035-9038), Canada West Foundation.

EXPORTS

The United States is the major trading partner of all four western provinces

Figure 52: Destination of Western Canada's International Merchandise Exports, 2000



Top Ten Export Destinations, 2000

British Columbia		Alberta		Saskatchewan		Manitoba	
Destination	%	*Destination*	%	*Destination*	%	*Destination*	%
United States	66.8	United States	88.5	United States	61.8	United States	81.1
Japan	13.8	Japan	2.4	China	5.9	Japan	4.0
South Korea	2.7	China	1.3	Japan	5.1	Mexico	1.5
China	2.2	South Korea	1.0	Algeria	2.4	China	1.4
Italy	1.8	Mexico	0.6	Iran	2.3	Belgium	1.3
Germany	1.6	Taiwan	0.4	Mexico	1.9	Hong Kong	1.2
Belgium	1.4	United Kingdom	0.4	Brazil	1.6	Iran	1.0
Taiwan	1.2	Italy	0.3	Morocco	1.1	United Kingdom	0.9
United Kingdom	1.1	Iran	0.3	South Korea	1.1	Taiwan	0.6
Hong Kong	0.9	Germany	0.3	Malaysia	1.0	South Korea	0.4
All Others	6.5	All Others	4.5	All Others	15.8	All Others	6.7

The United States is the main destination of western Canada's exports - 78.3% ($88 billion) of goods leaving western Canada for foreign markets went to the United States in 2000. Alberta and Manitoba are particularly dependent on the U.S. market whereas British Columbia and Saskatchewan are *relatively* less exposed to the U.S. economy.

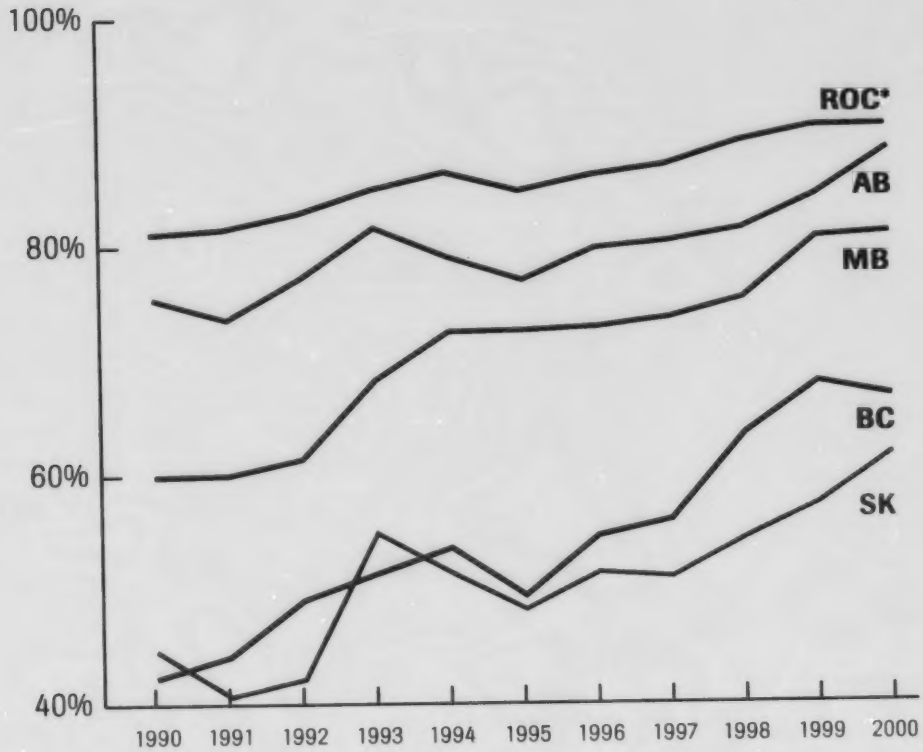
At 12.8% of the value of total foreign exports, Asia was the second largest destination for western Canadian goods in 2000. British Columbia sent 23.0% and Saskatchewan 17.4% of their merchandise exports to Asian countries in 2000. Alberta and Manitoba sold relatively smaller, but still substantial, amounts to the Asian market in 2000 (6.1% and 8.9% respectively).

Figures are for merchandise trade on a customs basis. Figures do not include exports of "services." Figures are subject to routine revision. Source: Industry Canada (Statistics Canada data), Trade Data Online.

EXPORTS

Western Canadian trade with the United States has been on the rise in the 1990s

Figure 53: Percentage of Exports to the United States, 1990-2000



As a proportion of the total value of western Canadian exports, the region sold more goods to the United States at the end of the 1990s than it did at the start. Only 56.4% of the West's exports went south of the border in 1990 compared to 78.3% in 2000. The declining value of the Canadian dollar, continuous economic expansion in the U.S. during the Clinton years, and the implementation of the Free Trade Agreement and NAFTA help explain the rising importance of the U.S. market.

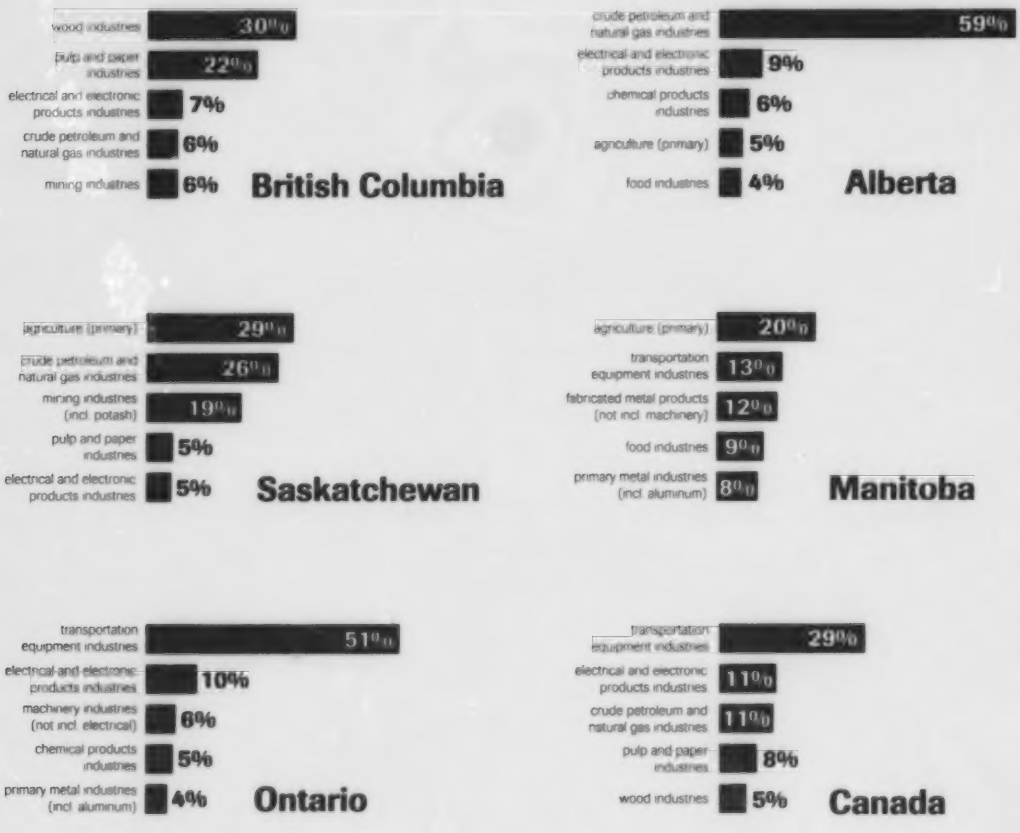
Compared to the rest of the country, the West sends a smaller proportion of its exports to the United States. Ontario led the country in 2000 with 93.4% of its merchandise exports going to the United States; Quebec sold 85.6% of its exports to the U.S. and Atlantic Canada sold 82.3%. Saskatchewan sends the smallest proportion of its exports to the U.S. of any Canadian province with British Columbia a close second.

Figures are for merchandise trade on a customs basis. Figures do not include exports of "services."
Figures are subject to routine revision. Source: Industry Canada (Statistics Canada data), Trade Data Online.

EXPORTS

Oil and gas, forestry, and agriculture are the dominant western Canadian exports

Figure 54: Top 5 Exports by Industry, 2000


wood industries 30%
pulp and paper industries 22%
electrical and electronic products industries 7%
crude petroleum and natural gas industries 6%
mining industries 6%
British Columbia
crude petroleum and natural gas industries 59%
electrical and electronic products industries 9%
chemical products industries 6%
agriculture (primary) 5%
food industries 4%
Alberta
agriculture (primary) 29%
crude petroleum and natural gas industries 26%
mining industries (incl. potash) 19%
pulp and paper industries 5%
electrical and electronic products industries 5%
Saskatchewan
agriculture (primary) 20%
transportation equipment industries 13%
fabricated metal products (not incl. machinery) 12%
food industries 9%
primary metal industries (incl. aluminum) 8%
Manitoba
transportation equipment industries 51%
electrical and electronic products industries 10%
machinery industries (not incl. electrical) 6%
chemical products industries 5%
primary metal industries (incl. aluminum) 4%
Ontario
transportation equipment industries 29%
electrical and electronic products industries 11%
crude petroleum and natural gas industries 11%
pulp and paper industries 8%
wood industries 5%
Canada

British Columbia exports are dominated by forestry products. Similarly, Alberta exports are dominated by oil and gas. Saskatchewan and Manitoba are both major exporters of primary agricultural products, but are relatively less dependent on a single industry than the other two western provinces.

Manitoba stands out in the West as the province least dependent on volatile resource and agriculture commodities. Although 20% of its exports in 2000 were primary agricultural items, the production of aircraft and auto parts, metal products, and value-added food products account for significant proportions of its total exports.

Figures are for merchandise trade on a customs basis. Figures do not include exports of "services." Figures are subject to routine revision. Industry categories are based on the 1980 Standard Industrial Classification.
Source: Industry Canada (Statistics Canada data), Trade Data Online.

12. PUBLIC FINANCE

Public attention to issues of government debt and deficits has subsided in recent years. In the early 1990s, when government deficits were the norm, debt and deficit issues dominated public policy debate. Since then, a number of balanced federal and provincial budgets – and even some surpluses – have reduced the level of concern. However, this does not mean that Canada is free of high debt loads – far from it. Between 1994 and 2000, only three provinces – Alberta, Saskatchewan, and Prince Edward Island – reduced the absolute value of their debt, while all other provinces and the federal government increased their absolute debt values.

Debt is an important policy issue for two reasons. First, debt servicing is a large expenditure for governments, and one that taxpayers resent. If a government's debt is low or non-existent, it has greater financial leeway. For example, a government with low or no debt has greater flexibility to reduce taxes, change the mix of taxes (such as replacing income taxes with consumption taxes), or increase spending on social programs or infrastructure. Debt affects a province's ability to compete for residents and businesses. Second, debt levels affect a government's credit rating. A good credit rating not only provides governments with the ability to borrow money at lower rates, but can also attract business and investment.

Of course, debt and deficits are not the only issues of concern in public finance. Revenue sources must also be considered. Provinces that benefit from natural resource revenues are able to fund public programs with less help from the general taxpayer, but are also subject to highly volatile natural resource markets. Alberta, the only province without a sales tax in Canada, has been able to use this fact as a promotional tool.

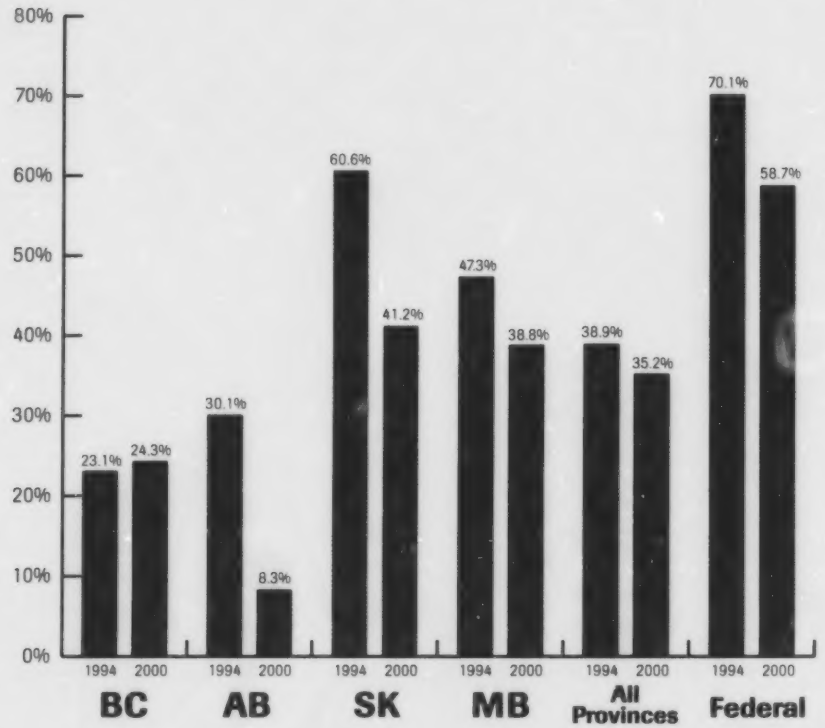
Key public finance trends in the West include the following:

- Alberta, Manitoba, and Saskatchewan all reduced their debt-to-GDP ratios between 1994 and 2000, while British Columbia's ratio grew. However, despite the increase, B.C.'s debt-to-GDP ratio remains lower than that of Manitoba and Saskatchewan. Alberta's debt-to-GDP ratio is significantly lower than all other provinces.
- Alberta and Saskatchewan have both reduced the absolute value of their debts, and both provinces have reduced their per capita debt loads. Manitoba's per capita debt load remained largely the same during the 1994–2000 period, while B.C.'s increased.
- In recent years, Alberta has established a pattern of significant surpluses, Manitoba and Saskatchewan a pattern of modest surpluses or balanced budgets, and British Columbia has continued to run significant deficits. Budget surpluses in Alberta and Saskatchewan are highly influenced by volatile natural resource revenues.
- The western provinces differ greatly in their revenue sources. Manitoba and Saskatchewan are reliant on equalization payments, while Alberta and British Columbia do not receive equalization.

PUBLIC FINANCE

Alberta stands out in both the West and in the country as a whole as the province with the lowest debt-to-GDP ratio

Figure 55: Total Net Tax-Supported Debt as % of GDP, 1994 and 2000 (DBRS-adjusted)



Total net tax-supported debt is defined by the Dominion Bond Rating Service (DBRS) as tax-supported debt plus unfunded pension liabilities less sinking fund assets and liquid assets in excess of operating requirements (e.g., the liquid financial assets of the Alberta Heritage Fund). The DBRS considers any future draw on the tax base of a government to be debt. Municipal, university, and hospital debts (guaranteed by the province or not) are included in the provincial debt figures. The self-supporting debts of provincially owned utilities and Crown agencies are not included. For these reasons, DBRS-adjusted figures do not match the figures reported in provincial budgets. Figures for the 1999/2000 fiscal year are projections.

British Columbia is the only western province to see its debt-to-GDP ratio deteriorate between 1994 and 2000. Despite this, British Columbia's debt-to-GDP ratio is relatively low compared to Saskatchewan, Manitoba, and the rest of the country (only Alberta has a lower ratio).

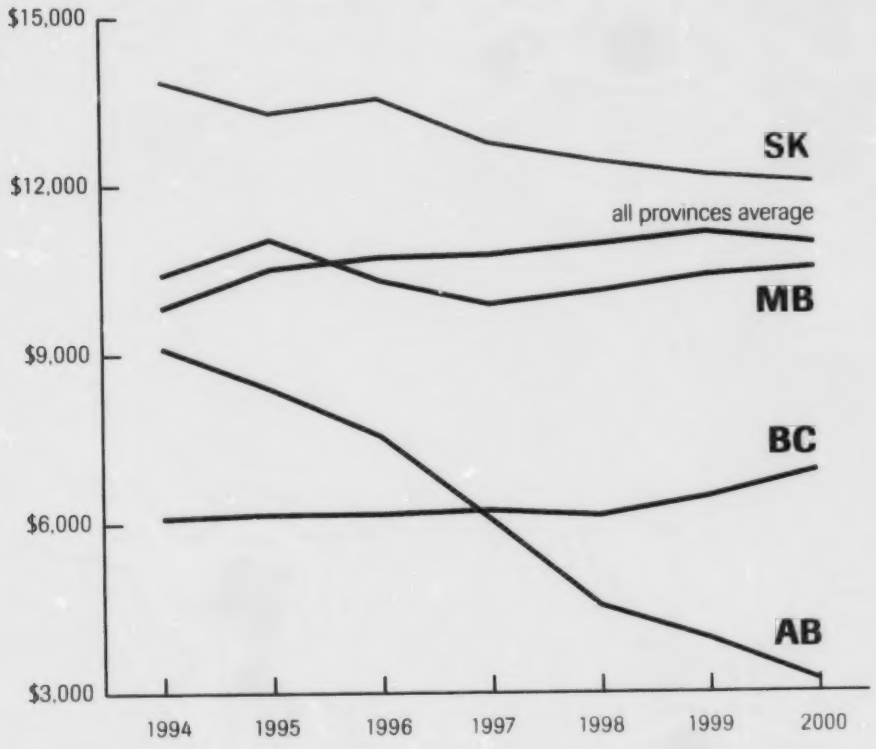
Fiscal restraint, high oil and gas prices, and an expanding economy have enabled Alberta to significantly reduce its debt-to-GDP ratio and to stand out in both the region and the country as a whole. This gives Alberta greater leverage to compete for mobile business and labour through attractive tax policies and enhanced public services.

Year ending March 31. Source: Dominion Bond Rating Service (DBRS), *The Canadian Federal and Provincial Governments - 2000 Overview.*

PUBLIC FINANCE

In per capita terms, Saskatchewan has the highest debt burden in the West

Figure 56: Total Provincial Net Tax-Supported Debt Per Capita, 1994-2000 (DBRS-adjusted*)



*See note on previous page. Figures for the 1999/2000 fiscal year are projections.

A growing population combined with large reductions to the absolute value of its debt has caused Alberta's per capita debt burden to plummet from $9,116 per Albertan in 1994 to $3,213 in 2000.

Saskatchewan, the only western province other than Alberta to reduce the absolute value of its debt between 1994 and 2000, also saw its per capita debt load decline during the latter half of the 1990s. Nonetheless, it remains relatively high at $12,044.

Manitoba has come close to breaking even on this measure and posts a per capita debt level below that of Saskatchewan but substantially higher than both British Columbia and Alberta.

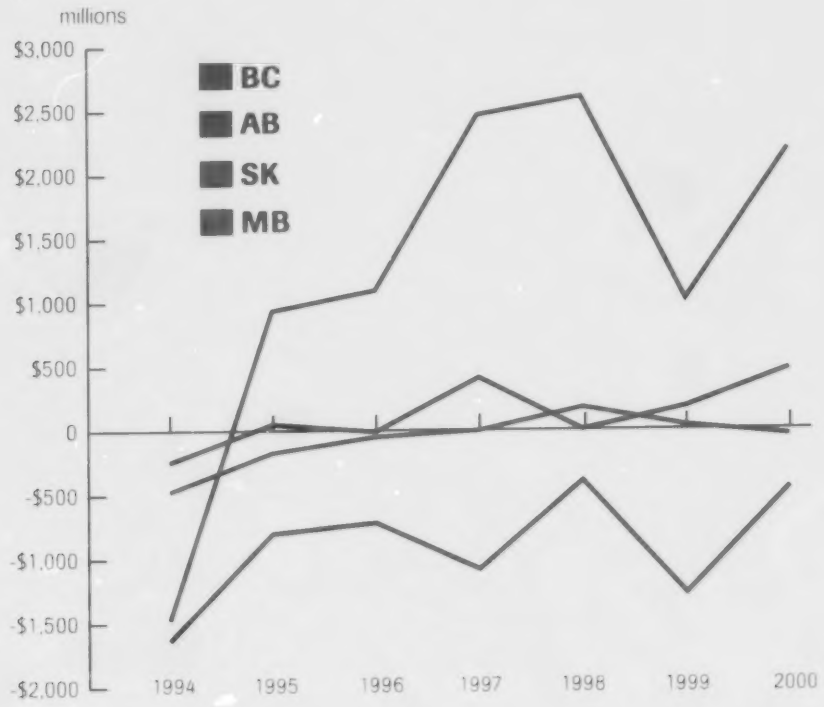
Because the absolute value of its debt has increased at a faster pace than its population, British Columbia has experienced a steady rise in its per capita debt level since 1994.

Year ending March 31. Source: Dominion Bond Rating Service (DBRS). *The Canadian Federal and Provincial Governments - 2000 Overview*

PUBLIC FINANCE

British Columbia lags behind the rest of the West in terms of deficit reduction

Figure 57: Provincial Government Surplus/Deficit, 1994-2000 (DBRS-adjusted*)



*The DBRS adjusts reported figures to exclude unusual items and to include non-budgetary capital expenditures. Figures for the 1999/2000 fiscal year are projections.

Since the onset of sustained efforts in the early 1990s to deal with public deficits and debts, small deficits or modest surpluses have become the norm in Saskatchewan and Manitoba. Alberta has run substantial surpluses while British Columbia has maintained a pattern of significant deficits.

It should be noted that projected revenues in Alberta and Saskatchewan are heavily influenced by volatile natural resource markets. As a result, these provinces must be prepared to adjust quickly when the value of resource commodities drops.

Year ending March 31. Source: Dominion Bond Rating Service (DBRS). *The Canadian Federal and Provincial Governments: 2000 Overview*

PUBLIC FINANCE

Unlike the rest of the country, British Columbia, Alberta, and Saskatchewan have access to significant natural resource revenue

Figure 58: Components of Total Revenue, 2000 (DBRS-adjusted*)

	personal tax revenue	corporate tax revenue	retail sales tax revenue	natural resource revenue	other own own source revenue	federal transfer payments	federal transfers per capita
			% of total revenue				$
BC	27	7	15	11	28	12	619
AB	26	9	0	22	36	8	515
SK	24	11	11	15	20	20	1,812
MB	25	11	14	1	15	33	1,822
All Provinces Total	29	14	15	5	23	14	825
Federal Government	48	26	14	0	13	n.a.	n.a.

*The DBRS adjusts reported figures to exclude unusual items and transfers from internal funds.
Figures for the 1999/2000 fiscal year are projections.

When the composition of provincial revenues is examined, significant differences among the four western provinces are revealed. Alberta is the only province in the West (indeed, the country) that does not levy a retail sales tax whereas the other western provinces generate between 11% and 15% of their total revenues in this way.

As two of the three "have" provinces in Canada, British Columbia and Alberta receive no equalization payments from the federal government and, as a result, the per capita value of their federal transfer payments is relatively low. As "have not" provinces, Saskatchewan and Manitoba both receive equalization payments. Close to half (45%) of Saskatchewan's federal transfers are in the form of equalization payments; Manitoba's reliance on equalization is even higher at 61% of its total federal payments.

Access to highly volatile natural resource revenue is a distinguishing feature of three of the four western provinces, with Manitoba being the outlier. Provinces east of Saskatchewan collect little, if any, natural resource revenue.

Year ending March 31. Source: Dominion Bond Rating Service (DBRS). *The Canadian Federal and Provincial Governments - 2000 Overview.*

LOOKING FORWARD

State of the West presents a rich and detailed description of the region's demographic and economic evolution over the past 30 years. It is time to turn our attention to the future, and to those issues likely to dominate the West's public policy agenda in the years to come.

The report identifies a number of imperatives that must be brought to the table in any discussion of public policy alternatives for the West. Some of the identified trends, such as the aging of the general population and the growth of a relatively young Aboriginal population, may be beyond public policy influence (much less control), but their potential policy implications are nonetheless immense. Other trends, such as changing patterns of interprovincial migration, immigration, and international trade, may be more open to public policy leverage. In all cases, however, the trends set the boundaries for public policy debate. They provide the context within which a thoughtful examination of the public policy determinants of regional prosperity must take place.

What, then, are some of the specific public policy implications and issues that arise from the data in *State of the West*? Although this report alone cannot frame a complete public policy agenda, a number of issues are inescapable.

Provincial Disparities Within the West. There are growing disparities among the western provinces. While western Canadians may have historical ties, social linkages, common interests, and emotional ties to the idea of the West as a coherent region, the gaps between Alberta and British Columbia, on the one hand, and Saskatchewan and Manitoba on the other are growing in a number of areas including economic capacity, population growth, immigration levels, employment growth, interprovincial migration, and income levels. If the West is to remain a strong regional voice in Canada, western Canadians will have to come to grips with these disparities and their public policy implications for the future of the region.

Health Care and Social Programs. Surveys indicate that Canadians across the country place great value on public health care, and on social programs such as income supports and the Canada Pension Plan. If these programs are to continue, serious consideration must be paid to redesigning them to ensure that they are sustainable with a significantly larger "client" base and a significantly smaller tax base. This may mean increasing efficiencies within the programs, exploring options for non-profit sector and corporate outsourcing, redefining eligibility requirements, or other options. Given that the public, the corporate and the non-profit sectors must have time to prepare and adjust to any fundamental changes in Canada's social "safety net," it is the responsibility of governments and researchers to conduct these evaluations before the tide of population aging overwhelms the West and Canada as a whole.

Aboriginal Education and Employment Opportunities. It is in the interest of all western Canadian provinces and businesses to make every effort to promote increased Aboriginal education levels and employment opportunities. If Aboriginal peoples continue to be over-represented among the impoverished and unemployed, they will be disproportionately reliant on both government transfers and social programs. On the other hand, if Aboriginal peoples are able to achieve higher educational levels and enjoy greater employment opportunities, the benefits will be enjoyed not only by the Aboriginal peoples themselves, but by businesses (through a larger labour market) and by governments (through decreased program demand). This new, young labour force could become a competitive advantage for the West, particularly for Saskatchewan, Manitoba, and Alberta. However, this advantage will not be achieved by present public policy and programs alone; closing of the gap will require more focused efforts and the

support and participation of Aboriginal communities. In essence, then, there is a business case for the western provinces to ensure that their education and employment training programs are accessible to and supportive of Aboriginal youth. This may mean culturally sensitive educational institutions or programs, improved coordination of Aboriginal programming through all orders of government, and efforts by corporations to provide mentoring programs and employment training.

Immigration and Interprovincial Migration. Sustainable prosperity will rest in large part on the West's ability to attract new residents, particularly young, educated individuals who will be the pillars of the labour market in the years ahead. As the data reveal, immigration will be the key source of those new residents. However, with the exception of British Columbia (and in particular Vancouver), the West does not fully reap the benefits of immigration. The Prairie provinces will need to work hard to attract immigrants to their cities, and to ensure that the necessary social supports and training services are in place to retain new immigrants. In addition, provinces must work with their professional associations to promote accreditation programs for foreign-educated professionals. The benefits of immigration decrease dramatically if foreign-educated cardiologists and accountants are working as taxi drivers or cleaning staff. Lastly, immigration policy must be made as efficient as possible, as Canada is actively competing with other countries for immigrants. Ensuring the competitive nature of Canada's immigration policy should be a priority for the federal government.

Emigration. The issue of emigration ("brain drain"), while a smaller component of population projections, is still very important. Young, educated workers tend to be the most mobile, and emigration means that the West is losing key players from its future economy. While some might suggest that emigration has little net effect (due to the fact that it is much lower than immigration intakes), there are nevertheless substantial costs. Given post-secondary education subsidies and other social programs, if the West's highly educated youth emigrate, the western provinces are in essence subsidizing other countries' work forces. In addition, the social costs of emigration – dispersed families, weakened national ties – must be considered. The same arguments hold for interprovincial migration. Thus the challenge for the West as a whole, and for Saskatchewan and Manitoba in particular, is to create environments attractive to business and investment, thereby creating economic opportunities for present and future residents.

While the challenges facing the West are great, so too are the possibilities. The region has seen a number of positive gains over the past thirty years. Still, the temptation to "rest on our laurels" must be resisted. Western Canadians are fortunate in that there is a small window of opportunity presently available to address the public policy issues inherent in demographic change. To do so, however, requires the delicate balance of immediate attention and long-term vision. The task ahead for western Canadians, their businesses and their governments is to use this window to take the appropriate actions for meeting the goals of the region and of the individual provinces.

In many respects, the opportunities and challenges facing western Canadians are similar to the opportunities and challenges facing all Canadians. No region of the country, for example, will escape the impact of an aging population, or the transformative effects of immigration and interprovincial migration. This suggests that national policies will continue to be important, and that western Canadians must pursue effective leverage on national policies. However, there are also ways in which the West stands apart, and indeed where individual provinces within the West stand apart. Thus we need a public policy debate that is sensitive to both patterns of commonality and regional distinctiveness. We also need a strategic policy debate that centres on the West's competitive position within the new global economy.

PROVINCIAL FACT SHEETS

BRITISH COLUMBIA

	1995	1996	1997	1998	1999	2000
Total population	3,784,008	3,882,043	3,959,698	3,998,325	4,023,100	4,063,760
% change	2.8	2.6	2.0	1.0	0.6	1.0
% of regional pop.	43.7	44.0	44.2	44.1	43.9	44.0
% of national pop.	12.9	13.1	13.2	13.2	13.2	13.2
Population under 15	743,200	751,687	757,015	752,843	743,363	735,462
% of total	19.6	19.4	19.1	18.8	18.5	18.1
Population 65+	475,659	486,883	499,095	509,939	518,825	527,550
% of total	12.6	12.5	12.6	12.8	12.9	13.0
Immigrants	45,816	47,795	53,121	40,336	34,284	36,877
Emigrants	7,207	7,224	4,919	6,857	7,234	7,749
Net international migration	38,609	40,571	48,202	33,479	27,050	29,128
% of total population	1.0	1.0	1.2	0.8	0.7	0.7
Interprovincial migrants (IN)	70,783	66,959	59,432	51,524	43,300	..
Interprovincial migrants (OUT)	41,492	44,935	49,552	61,553	57,784	..
Net interprovincial migration	29,291	22,024	9,880	-10,029	-14,484	..
% of total population	0.8	0.6	0.2	-0.3	-0.4	..
Employment	1,792,000	1,821,000	1,869,000	1,870,000	1,906,000	1,949,000
% change	2.2	1.6	2.6	0.05	1.9	2.3
Participation rate (%)	66.3	65.7	65.6	64.9	65.1	64.9
Unemployment rate (%)	8.4	8.7	8.4	8.8	8.3	7.2
Nominal GDP (millions of $)	105,319	108,454	113,896	113,945	118,783	125,623
% change	5.2	3.0	5.0	0.04	4.3	5.8
Real GDP (millions of $)	95,370	98,052	101,277	102,217	104,323	..
% change	2.2	2.8	3.3	0.9	2.1	..
Real GDP per capita ($)	25,203	25,258	25,577	25,565	25931	..
International Exports (millions $)	27,685	27,297	28,003	29,194	31,658	..
% change	9.7	-1.4	2.6	4.3	8.4	..
% of GDP	29.0	27.8	27.6	28.6	30.3	..
Interprovincial Exports (millions $)	10,885	11,783	12,595	13,067	13,435	..
% change	-2.5	8.2	6.9	3.7	2.8	..
% of GDP	11.4	12.0	12.4	12.8	12.9	..

.. not available

ALBERTA

	1995	1996	1997	1998	1999	2000
Total population	2,739,853	2,780,639	2,837,191	2,906,870	2,964,689	2,997,236
% change	1.3	1.5	2.0	2.5	2.0	1.1
% of regional pop.	31.6	31.5	31.7	32.1	32.4	32.5
% of national pop.	9.3	9.4	9.5	9.6	9.7	9.8
Population under 15	626,369	626,119	628,427	631,996	632,284	626,241
% of total	22.9	22.5	22.1	21.7	21.3	20.9
Population 65+	263,503	271,254	279,072	287,135	294,263	301,226
% of total	9.6	9.8	9.8	9.9	9.9	10.1
Immigrants	16,681	14,150	13,847	11,689	11,243	12,809
Emigrants	7,880	7,907	5,563	6,439	6,728	7,147
Net international migration	8,801	6,243	8,284	5,250	4,515	5,662
% of total population	0.3	0.2	0.3	0.2	0.2	0.2
Interprovincial migrants (IN)	51,247	57,037	70,333	86,307	70,932	..
Interprovincial migrants (OUT)	51,803	49,381	44,051	43,218	45,741	..
Net interprovincial migration	-556	7,656	26,282	43,089	25,191	..
% of total population	-0.02	0.3	0.9	1.5	0.8	..
Employment	1,369,000	1,408,000	1,458,000	1,515,000	1,553,000	1,588,000
% change	2.8	2.9	3.6	3.9	2.5	2.3
Participation rate (%)	72.3	72.3	72.1	72.5	72.6	72.2
Unemployment rate (%)	7.8	6.9	5.8	5.6	5.7	5.0
Nominal GDP (millions of $)	91,634	98,197	106,518	106,174	116,990	126,935
% change	4.6	7.2	8.5	-0.3	10.2	8.5
Real GDP (millions of $)	87,161	89,284	95,997	99,504	101,960	..
% change	3.0	2.4	7.5	3.7	2.5	..
Real GDP per capita ($)	31,812	32,109	33,835	34,231	34,391	..
International Exports (millions $)	26,454	28,513	30,895	33,493	34,571	..
% change	9.8	7.8	8.4	8.4	3.2	..
% of GDP	30.4	31.9	32.2	33.7	33.9	..
Interprovincial Exports (millions $)	19,163	21,431	22,183	22,768	23,474	..
% change	-1.2	11.8	3.5	2.7	3.0	..
% of GDP	22.0	24.0	23.1	22.9	23.0	..

.. not available

SASKATCHEWAN

	1995	1996	1997	1998	1999	2000
Total population	1,014,172	1,019,459	1,022,020	1,025,203	1,027,780	1,023,636
% change	0.4	0.5	0.3	0.3	0.3	-0.4
% of regional pop.	11.7	11.6	11.4	11.3	11.2	11.1
% of national pop.	3.5	3.4	3.4	3.4	3.4	3.3
Population under 15	234,141	232,464	230,222	227,985	225,826	220,695
% of total	23.1	22.8	22.5	22.2	22.0	21.6
Population 65+	146,913	147,800	148,246	148,698	148,715	148,148
% of total	14.5	14.5	14.5	14.5	14.5	14.5
Immigrants	2,182	1,810	1,779	1,614	1,756	1,648
Emigrants	1,024	1,018	774	857	906	969
Net international migration	1,158	792	1,005	757	850	679
% of total population	0.11	0.08	0.10	0.07	0.08	0.07
Interprovincial migrants (IN)	16,814	17,411	16,771	18,697	15,200	..
Interprovincial migrants (OUT)	20,466	19,572	19,565	20,637	19,533	..
Net interprovincial migration	-3,652	-2,161	-2,794	-1,940	-4,333	..
% of total population	-0.4	-0.2	-0.3	-0.2	-0.4	..
Employment	459,000	458,000	470,000	476,000	480,000	485,000
% change	0.7	-0.2	2.6	1.3	0.8	1.0
Participation rate (%)	66.2	65.4	66.3	66.6	67.0	67.0
Unemployment rate (%)	6.8	6.6	5.9	5.7	6.1	5.2
Nominal GDP (millions of $)	26,334	28,927	29,046	28,828	30,143	31,824
% change	7.7	9.9	0.4	-0.80	4.6	5.6
Real GDP (millions of $)	23,934	24,391	25,661	26,267	26,547	..
% change	1.4	1.9	5.2	2.4	1.1	..
Real GDP per capita ($)	23,600	23,925	25,108	25,621	25,829	..
International Exports (millions $)	7,838	8,494	9,857	9,903	9,855	..
% change	-0.5	8.4	16.0	0.5	-0.5	..
% of GDP	32.7	34.8	38.4	37.7	37.1	..
Interprovincial Exports (millions $)	5,336	5,369	6,067	6,417	6,719	..
% change	0.9	0.6	13.0	5.8	4.7	..
% of GDP	22.3	22.0	23.6	24.4	25.3	..

.. not available

MANITOBA

	1995	1996	1997	1998	1999	2000
Total population	1,129,771	1,134,346	1,136,584	1,138,035	1,143,509	1,147,880
% change	0.5	0.4	0.2	0.1	0.5	0.4
% of regional pop.	13.0	12.9	12.7	12.6	12.5	12.4
% of national pop.	3.9	3.8	3.8	3.8	3.8	3.7
Population under 15	246,930	246,691	245,278	243,473	242,053	240,720
% of total	21.9	21.7	21.6	21.4	21.2	21.0
Population 65+	152,933	153,478	154,392	155,099	155,573	155,083
% of total	13.5	13.5	13.6	13.6	13.6	13.5
Immigrants	3,790	3,619	4,066	3,117	3,307	4,172
Emigrants	2,360	2,357	1,288	1,496	1,563	1,653
Net international migration	1,430	1,262	2,778	1,621	1,744	2,519
% of total population	0.1	0.1	0.2	0.1	0.2	0.2
Interprovincial migrants (IN)	15,890	15,075	13,883	14,906	13,985	..
Interprovincial migrants (OUT)	19,110	18,641	19,756	20,182	16,098	..
Net interprovincial migration	-3,220	-3,566	-5,873	-5,276	-2,113	..
% of total population	-0.3	-0.3	-0.5	-0.5	-0.2	..
Employment	519,000	519,000	526,000	536,000	543,000	554,000
% change	1.8	0	1.4	1.9	1.3	2.1
Participation rate (%)	66.8	66.5	66.6	67	67.5	67.9
Unemployment rate (%)	7.2	7.2	6.5	5.5	5.6	4.9
Nominal GDP (millions of $)	26,837	28,319	29,407	29,966	30,995	32,686
% change	3.7	5.5	3.8	1.9	3.4	5.5
Real GDP (millions of $)	25,445	26,205	27,099	27,892	28,729	..
% change	0.6	3.0	3.4	2.9	3.0	..
Real GDP per capita ($)	222,522	23,101	23,843	24,509	25,124	..
International Exports (millions $)	5,813	6,303	7,242	8,244	8,242	..
% change	1.3	8.4	14.9	13.8	-0.02	..
% of GDP	22.8	24.1	26.7	29.6	28.7	..
Interprovincial Exports (millions $)	7,099	7,331	8,034	8,417	8,759	..
% change	6.6	3.3	9.6	4.8	4.1	..
% of GDP	27.9	28.0	29.6	30.2	30.5	..

.. not available

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